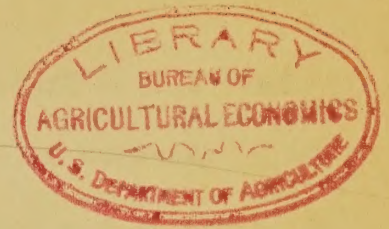


UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

WESTERN DIVISION

GRANTS OF AID

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PART 1

GENERAL

Section A. Materials to be Furnished as Grants of Aid

1. Kinds. Where practicable, the Agricultural Adjustment Administration upon the request of producers, and under the conditions specified herein, will furnish Lime, Seed, and Phosphate fertilizer to co-operating farmers in designated areas within the Western Region for use in carrying out approved soil-building practices under the agricultural conservation program.
2. Amount. The maximum amount of material which may be furnished as grants of aid to any producer will be a quantity the deduction with respect to which is not in excess of the larger of (1) 80 percent of the soil-building payment, or (2) 50 percent of the total payment, (taking into account in each instance the minimum allowance and the small payment increase) which on the basis of the Farm Plan for the current year the county committee determines the producer requesting the material will earn for participating in the Agricultural Conservation Program less -
 - a. Advances for crop insurance.
 - b. Agricultural Adjustment Administration indebtedness reported on Register of Indebtedness.
 - c. Assignment/s of agricultural conservation payments made on ACP-69, and/or Request/s for set-off on AAA-372 that may have been accepted by the county office before the request for material is made.
3. Rate of deduction, area and method of transportation. The applicable rate of deduction for material, the area in which any particular type of material will be furnished to producers as a grant of aid and the method of moving the shipments will be announced in WR-Memorandum at the time each new project is initiated.
4. Allocation of materials. When required, the allocation of material available for distribution within the individual States will be made by telegram or letter from time to time, as additional materials are procured.

Section B. Use of Grants of Aid Materials

1. Purpose for which materials may be used. Materials furnished as grants of aid must be used to carry out approved soil-building practices in connection with the Agricultural Conservation Program on the worksheet farm/s which the producer indicated on Form ACP-64.

2. Conditions under which materials are furnished. It is the responsibility of the county committee to determine the eligibility of producers to receive materials as grants of aid and that those producers whose requests for grants of aid are approved understand that such materials are furnished under the following conditions, as well as conditions contained in Form ACP-64:
- a. That materials furnished as a grant of aid are to be used to carry out approved soil-building practices in connection with the current agricultural conservation program. That a deduction at a per unit rate established by the Agricultural Adjustment Administration will be made from any payment due him.
 - b. That the rate of deduction will be doubled with respect to any materials furnished to him which are used in a manner which is not in substantial accord with the purposes for which they were furnished.
 - c. That demurrage must be paid direct to the delivering common carrier by the producer/s responsible for the charge in the proportion and to the extent of time that each such producer's share of the material in the shipment not removed from the common carrier within the "free time" allowed bears to the total demurrage charged.
 - d. That any charges authorized by the county committee for the handling or the storage of material at delivery point must be paid by the producer who receives the material before or at the time of delivery.
 - e. That after requesting material as a grant of aid, the producer will be eligible to assign his agricultural conservation payment which it is estimated he will earn by participation in the current agricultural conservation program for only the amount by which his estimated agricultural conservation payment for the year exceeds the deduction for the material.
 - f. That each producer filing a request for material is advised that if the payment to him for participation in the current agricultural conservation program is not sufficient to cover the deduction required for the material he will be personally liable for any difference.

PART 11

COUNTY OFFICE INSTRUCTIONS FOR HANDLING REQUESTS FOR GRANTS OF AID

Section A. Requesting Material

1. Preparation of Form ACP-64. Until further notified, producers who request material as a grant of aid, will execute a separate Form ACP-64.

"Request for Material as a Grant of Aid under the Agricultural Conservation Program," Revised March 9, 1939, for each type of material requested as a grant of aid in the following manner:

- a. Enter in the space provided in the upper right-hand corner the names and code numbers of the State and county, and the serial number of work sheet/s covering the farm with respect to which the material is requested.
- b. Enter "1940, 1941," etc., in the space provided for "Program Year."
- c. In Section I, enter the name of the applicant requesting the grant of aid, his type of tenure (landlord, operator, share-tenant, sharecropper) in the spaces provided.
- d. Enter in the space provided below his name, the applicant's post office and rural route address, and the name of the county and State.
- e. In the space provided for the "Complete description of material," enter "Bagged" or "Bulk," whichever is applicable, followed by the name of the material desired, e.g., "Lime," "Triple Super-phosphate," or the variety of seed desired, i.e., "Austrian winter peas" or "hairy vetch," whichever is applicable.
- f. In the column headed "Quantity" enter the number of pounds of material desired (always expressed in multiples of 100).
- g. In the column headed "Unit," enter "lbs."
- h. In the column headed "Notations" make no entry.
- i. In the space provided for the "Description of Practice," enter the number and description of each practice as contained in the State Handbook in connection with which the material will be used.
- j. In the column headed "Acres to be Treated," enter the number of acres to be treated or planted, as the case may be.
- k. Enter in the column "Rate of Application" the number of pounds of material to be applied on each acre, or the number of pounds of seed which will be sown on each acre.
- l. In the column headed "Total Amount" enter the results obtained by multiplying the entry under "Rate of Application" by the entry under "Acres to be Treated."
- m. Enter in the space provided opposite "Maximum Payment in Connection with Soil-building Practices" a figure representing the maximum amount of material (expressed in dollars) which the

producer may be furnished as a grant of aid in accordance with the instructions in part I, section A, paragraph 2 above.

- n. Enter in the space provided following the line "Deduction for Material Requested herein as Grant of Aid" the figure obtained by multiplying the quantity of material requested by the respective rate of deduction.
 - o. In the space provided opposite "Previous Deductions for Materials Requested as Grants of Aid under the Current Agricultural Conservation Program" enter the number of dollars shown opposite the words "Total Amounts for Materials Requested as Grants of Aid Under the Current Agricultural Conservation Program" on the last previously approved ACP-64, if any.
 - p. Add the figures entered in accordance with paragraphs "n" and "o" above, and enter the results in the space provided opposite "Total Deduction for Materials Requested as Grants of Aid Under the Current Agricultural Conservation Program". This figure must not exceed the entry made opposite "Maximum Payment in Connection with Soil-building Practices."
 - q. The signature of the applicant and the date the signature was affixed should be entered in the space provided.
 - r. Upon approval of the request by the county committee, one member of the committee and the secretary of the county agricultural conservation association must sign in the spaces provided in section II and the date that each signature was affixed must be entered immediately below the signature.
 - s. It will not be necessary to execute part III in the Western Region.
 - t. Part IV shall be executed by the producer upon delivery of the material to him.
 - u. The original Form ACP-64 shall be forwarded to the State Office with the original and blue copy of the related form ACP-65 executed as outlined in paragraph 2 below. When the original copy of Form ACP-64 is returned to the county office, any corrections made thereon by the State Office should be noted on the yellow and blue copies which were retained in the county office. Thereafter the blue copy should be delivered to the producer.
2. Preparation of Form ACP-65. When written requests are received for a quantity of material sufficient to constitute a shipment, (at least 30 tons of triple superphosphate for carlot shipment, or a reasonable quantity of seed or liming material to be delivered by other means for immediate delivery by any one contractor at any one siding or locality), a separate Form ACP-65, "Summary of Requests," for each type of material must be executed as follows:

- a. Enter in the upper right-hand corner the names and code numbers of the State and county.
- b. Enter in the spaces provided for the name of material, "bagged" or "bulk," whichever is applicable, followed by the name of the material; e.g., "Lime," "Triple Superphosphate," or the variety of seed desired, i.e., "Austrian winter peas" or "hairy vetch," and the date delivery is desired.
- c. Enter the name and post-office address of the secretary of the county agricultural conservation association in the spaces provided for the name and address of the consignee. Where a local dealer, distributor, or cooperative association has been chosen and authorized by the county committee to receive, handle, distribute, and if necessary, store material, enter immediately below the name of the consignee "c/o", followed by the name of such dealer, distributor or cooperative association, e.g., "c/o the A.B.C. Farmer's Exchange."
- d. Enter in the space provided for railroad or carrier, the name of the railroad which is to deliver the material, or "platform," whichever is applicable. All materials will be delivered f.o.b. platform unless shipped in minimum carlots on Government bill of lading.
- e. In the space provided for "Actual Point of Delivery," enter the name of the actual point at which delivery is to be made.
- f. Enter in the respective columns on Form ACP-65 the following information from each Form ACP-64:
 - (1) In the column headed "Serial Number" enter the serial number of work sheet/s covering the farm with respect to which the material is requested.
 - (2) List the names and addresses of the producers requesting the material and the respective dates the producers executed and filed Form ACP-64 with the county committee in the space provided for "Name and Address of Producer."
 - (3) In the "Unit" column enter the work "lbs."
 - (4) The number of pounds requested by the producer, always expressed in multiples of 100, must be entered in the "Quantity" column.
 - (5) Enter opposite the "Total Requested" line in the "Quantity" column the sum of the entries recorded in the "Quantity" column.

- g. Upon approval of a "Summary of Requests" by the county committee one member of the county committee and the secretary of the county agricultural conservation association will sign Form ACP-65 in the spaces provided and enter the date their signatures were affixed in the space provided.
- h. The original and blue copy of Form ACP-65 shall be transmitted to the State Office. The pink copy will be retained in the county office files. Upon approval of the requests by the State Office, the blue copy of this form will be returned to the county office.

Section B. Procedure to follow upon receipt of Material

1. Shipped in carload lots

- a. When a consignment of material arrives, the secretary of the county committee will not acknowledge receipt of the shipment until after an inspection of the condition of the car has been made, and will not receipt for the material in the car until the contents of the shipment have been checked. (See part IV, section B.)
- b. The secretary of the county committee will notify the producers who have requested material as a grant of aid of the arrival of the shipment, the place of the shipment, and the time limit allowed to accept it from the carrier in order to prevent any demurrage.
- c. The consignee will remove from the car the sample of material, if any, enclosed by the shipper. This sample will be marked "Shipper's Sample" and when properly identified, which includes the date, car number, Aaa Request for Shipment number, and other information, will be forwarded to the State Office to be analyzed.
- d. Unless otherwise advised by the State Office, the consignee will obtain an additional sample of material from each car. This sample shall be taken in the manner prescribed by the laws of the State and in accordance with any regulations that may have been issued by the State Department of Agriculture as a prerequisite to analyzing it. This sample taken at delivery point will be labeled "County Sample" and properly identified as to date, car number, Aaa Request for Shipment number, and other necessary information, whereupon it will be forwarded to the State Office.
- e. In case the material in the car is damaged, or there is a shortage or overage, proceed as outlined in part IV, section B, paragraph 4. Damaged material will not be accepted; however, undamaged material in the car shall be distributed to the farmers.

- f. The consignee, or person authorized by the county committee to receive the shipment, will supervise the distribution of material and deliver to each producer the amount requested on Form ACP-64 and shown on Form ACP-65. The consignee or persons handling the distribution of material shall guard against any shortage of material appearing on the record. For instance, if Form ACP-67 is executed acknowledging receipt of a shipment of triple super-phosphate of 60,000 pounds, the quantity of material reported on Form ACP-65, as well as the total quantity of material accounted for on related Forms ACP-64 should be 60,000 pounds.

2. Delivered at Platform of Plant or Warehouse

a. To the producer or producers -

- (1) In connection with the platform delivery of materials less than carload lots to producers, individually, collectively, or to authorized agents, Form WD-5, "Order for Platform Delivery of Material" will be used. Whenever it is not expedient for a representative of the county committee to supervise the delivery or distribution of material delivered f.o.b. platform, quarry, plant, or warehouse, Form WD-5 may be used.
- (2) Under no circumstances should Form WD-5 be executed by the county office before receiving notice from the State Office that Form ACP-66 has been approved.
- (3) Similarly, under no circumstances should Form WD-5 be honored by the contractor at the quarry, plant, or warehouse prior to receipt from the State Office of the original copy of Form ACP-66 approved.
- (4) When the producer signs section IV of Form ACP-64 in the county office acknowledging receipt of the material requested, prepare Form WD-5 in triplicate as follows:
 - (a) Enter in the space provided for the date in the upper right-hand corner the date the order is issued.
 - (b) In the space provided for the "Name and Address of Company from Which Material is to be Obtained," enter the name of the contractor furnishing the material, whether quarry, plant, or warehouse, and the address where the material will be received.
 - (c) On the next line in the space provided, enter the name of the producer or truck driver, as the case may be, who is receiving the material.
 - (d) On the next line in the blank space provided for the name of the county, enter the name of the county to which the material is being furnished.

- (e) In the space for the "Quantity and name of material," enter "bagged" or "bulk," followed by the name of material requested and number of pounds expressed in multiples of 100 pounds.
- (f) On the next line in the blank space provided for the USDA Purchase Order No., enter the number of the contract on which the material being delivered was purchased or stored.
- (g) On the next line in the blank space provided for the Aaa number, enter the Aaa Request for Shipment number covering the material.
- (h) On the line provided for the "Signature and title of officer of CACA," the secretary of the county agricultural conservation association should affix his signature and title.
- (i) When prepared, two copies should be delivered to the person (producer or truck driver) who will obtain the material, and one copy should be retained in the county office file.
- (j) Upon presentation of the order at the quarry, plant or warehouse and delivery and acceptance of the quantity of material specified thereon, the producer or truck driver must sign the two copies of Form WD-5 tendered in the space provided for the signature of the person who received the material and surrender both copies to the contractor at the quarry, plant or warehouse.
- (k) The contractor will forward one copy of the receipted Form WD-5 to the county office as a basis for the execution in the county office of Form ACP-67. One copy may be retained by the company supplying the material.

b. To be shipped by railroad or truck at producer's expense -

- (1) For material purchased f.o.b. platform and not delivered at Government expense, or for material stored at a point too far from the farm to permit the producer to call for it, an effort should be made to maintain a minimum quantity of material which will be approved on one Request for Shipment large enough to constitute a shipment.

It will not be necessary to use Form WD-5 in connection with the delivery of this type of shipment. Instead, the shipment should be moved at the expense of the farmers receiving the material in accordance with the instructions issued with Form ACP-66, "Request for Shipment."

Section C. Receipting for Material

1. Execution of Section IV of Form ACP-64 by the producer

- a. Whether delivered at platform of plant or warehouse, or shipped by railroad, the producer will acknowledge receipt of material by executing section IV of the original, which has been returned from the State Office, and copy of Form ACP-64 in the following manner:
 - (1) Enter in the spaces provided the quantity of material received by the producer, the unit in "lbs." and "bagged" or "bulk," followed by a description of the material delivered, i.e., "Triple Superphosphate," "Lime," or the name of the seed.
 - (2) Enter in the space provided the date the material was received and obtain the signature of the producer.
- b. When Form ACP-64 is completed, the original will be mailed, together with the related Form ACP-65 marked "Final," to the State Office and the yellow copy will be filed in the county office files.

2. Notice to State Office of quantity to individuals

- a. The State Office will be notified of the amount of material delivered to individual producers on the copy of Form ACP-65 which was previously returned to the county office by the State Office. When forwarded to the State Office for the second time this copy shall be marked "Final" and shall be accompanied by the related Forms ACP-64 receipted by the producers who actually received the material. The copy of the "Final" Form ACP-65 transmitted to the State Office shall be corrected to agree with the deliveries as actually made. For instance, if it is necessary to deliver material to a producer who did not request it, Form ACP-64 shall be executed before or at the time delivery of the material is made to the producer who did not request it and he shall receipt section IV of Form ACP-64 in the usual manner. The name of the producer who made the request originally shall be deleted on the "Final" Form ACP-65 and the name of the producer who received the grant of aid added thereon, together with his address and the quantity of material he received. Similarly, if it is necessary to deliver to a producer a quantity of material which does not agree with the amount requested by him, correct the quantity indicated on Form ACP-64 and related "Final" Form ACP-65 to agree with the amount actually delivered.

3. Preparation of Form ACP-67

- a. For each "Request for Shipment" of material, whether delivered at platform or shipped by railroad, the consignee or person designated by the county committee will acknowledge and make a report concerning its condition on Form ACP-67, "Receiving and Inspection," which must be executed as follows:

- (1) Enter in the upper right-hand corner the names and code numbers of the State and county.
- (2) Enter in the space provided, the Request for Shipment number, as shown on the copy of Form ACP-65 returned to the county office.
- (3) Enter in the spaces provided the date received, "bagged," or "bulk," followed by name of the material and the name of the contractor or warehouseman.
- (4) Enter in the space provided for the "(Actual point of delivery)" "Platform," or the actual point at which delivery was made by railroad.
 - (a) Where shipment is made by railroad, the name of delivering carrier.
- (5) Enter in the space provided for "Amount received" the amount of material delivered, expressed in numerical multiples of 100.
- (6) If shipment was made by railroad, enter in the spaces provided the car initials, car number, car seal number/s, condition of car seal, railroad waybill number with the date and the delivery agent's freight bill number and date.
- (7) Under the heading "Report of loss, damage, shortage, etc." report in detail any loss, damaged material, shortage, etc.
- (8) The name of the designated consignee shall be entered in the space provided followed by the signature of the person authorized to receive the shipment, and the date that his signature was affixed must be entered in the space provided.
- (9) After Form ACP-67 is completed, the original, pink and yellow copies will be forwarded to the State Office. The blue copy will be retained in the county office.

PART III

STATE OFFICE PROCEDURE

Section A. Handling Requests for Material

1. Verification and Approval

- a. Check entries on Form ACP-64 and Form ACP-65 to ascertain that applicants are eligible to receive material as a 1940 grant of aid in the amount requested. Correct any incorrect Form ACP-64; correct the corresponding entry on Form ACP-65, and adjust the total on Form ACP-65 accordingly. All corrections and changes shall be initialed by the persons in the State Office who make them.

- b. When the material requested must be shipped in a minimum carlot, check the total quantity of material requested on Form ACP-65 to determine that it constitutes a minimum carlot.
- c. Approve Form ACP-65, "Summary of Request," by signature in the space provided.

2. Preparation of Form ACP-66

- a. Since Forms ACP-66 have been assigned Aaa numbers, the forms must be executed in numerical sequence.
- b. On all related copies of Form ACP-64 and on both copies of Form ACP-65, in the spaces provided, enter the Aaa serial number printed in red ink which appears in the upper right-hand corner of Form ACP-66.
- c. For each Form ACP-65 prepare a separate Form ACP-66 for each type of material desired in the following manner:
 - (1) Enter in the space provided the date delivery desired.
 - (2) In the space provided in the upper right-hand corner enter the names and code numbers of the State and county.
 - (3) Enter "Western" in the space provided for the name of the Division.
- d. Contract Number, contractor and appropriations chargeable. On Form ACP-66, immediately below the first double line on the right-hand side of the form, enter the following subheadings, including the blank spaces, in the order shown below:
 - (1) Contract No. _____
 - (2) Government bill of lading No. A-_____ attached
 - (3) Contractor's name _____
 - (4) Contractor's address _____
 - (5) Appropriation and Allotment symbol _____
- e. In the blank spaces provided in the subheadings as described in paragraph d above, enter:
 - (1) The contract number, which must be the number assigned the award. This number is usually preceded by "Als."
 - (2) The number of the attached Government bill of lading which accompanies the "Request for Shipment" whenever shipment is made on Government bill of lading.

- (3) Name of the contractor,
- (4) Address of the contractor,
- (5) 1202215(21).031-0760

The appropriation and allotment symbols shown in paragraph e, (5) above are effective until the end of this fiscal period, or June 30, 1940. At that time the D. C. Office of the Western Division should be consulted for new symbols.

f. Beneath the caption "Consign to," in the spaces provided, enter the following information taken from the related Form ACP-65.

- (1) Name of county.
- (2) Name of the designated consignee, who shall be the secretary of the county agricultural conservation association, and where indicated on the related Form ACP-65 that the shipment is to be sent in care of a dealer, distributor, or cooperative association, enter the name of such dealer, distributor, or cooperative association below the name of the designated consignee, preceded by "c/o."
- (3) Consignee's post office address.
- (4) Name of railroad which will make delivery when shipment is by railroad, or "platform" whichever is applicable.
- (5) Actual point of delivery.

g. In the space provided for a complete description of the material enter -

- (1) "Bagged" or "Bulk," whichever is applicable.
- (2) The word "Bagged" or "Bulk" should be followed by the name of the material desired, e.g., "Lime," "Triple Superphosphate," or the variety of seed desired, i.e., "Austrian winter peas" or "hairy vetch," whichever is applicable.
- (3) In the lower portion of the space provided for a complete description of the material, the statement: "Forward sample to Executive Assistant:" followed by name and address of the State Executive Assistant.

h. In the "Quantity" column enter the number (expressed in multiples of 100) of pounds of material requested, as shown on the "Total Approved" line on Form ACP-65.

i. In the "Unit" column, enter the word "lbs."

- j. When approved by the State Office, the signature of the person authorized to approve requests for the State Office, the name of the State and the date approved must be entered in the spaces provided on Form ACP-66.

3. Disposition of Form ACP-66

The original copy of Form ACP-66, together with the Government bill of lading whenever shipment is made on Government bill of lading, shall be forwarded to the contractor, warehouseman or shipper. The orange copy shall be forwarded to the D.C. Office of the Western Division, Agricultural Adjustment Administration, Washington, D. C. The pink copy of Form ACP-66 shall be retained in the State Office and the yellow copy of this form shall be returned to the county office, together with the copy of Form ACP-65 and related Forms ACP-64.

Section B. Completion of Records in Connection with Shipments

1. Handling receipts for material delivered

- a. Upon receipt of notice, either in the form of copy of the Government bill of lading, contractor's invoice or Public Voucher, that material has been delivered or that shipment has been made at least 2 days, unless Form ACP-67 has been received, request the secretary of the county agricultural conservation association to submit to the State Office Form ACP-67 in triplicate.
- b. Upon receipt of the original and 2 copies of Form ACP-67 from the county office acknowledging receipt of material, the State Office shall ascertain that the total amount of material, including loss, damage, shortage or overage, reported on Form ACP-67 agrees with the total amount requested on the corresponding Form ACP-66, "Request for Shipment." If not, a statement shall be attached to the ACP-67 explaining the discrepancy.
- c. When Form ACP-67 has been checked in accordance with paragraph "b" above, the original and one copy shall be forwarded immediately to the D. C. Office of the Western Division, together with Standard Form 1034, "Public Voucher for Purchases and Services Other Than Personal," covering the same material, identified by Aaa number, listed on Form ACP-67. When Form ACP-67 is received, if the voucher has not been submitted to the State Office by the company furnishing the material, the two copies of Form ACP-67 should be held and forwarded to the D. C. Office of the Western Division with the voucher. The other copy of Form ACP-67 shall be retained in the State Office file.

2. Checking Forms ACP-64 and related "Final" Form ACP-65

- a. When Forms ACP-64, with Part IV executed, and related "Final" Form ACP-65 are received, the data recorded on the two forms shall be checked and any discrepancies taken up with the county committee and corrected before filing or transmitting copy of such forms to the General Accounting Office.

FLOW CHART OF FORMS ACP-64, 65, 66, 67 and WD-5

FORM NO.	WHERE PREPARED	NUMBER PREPARED	DISTRIBUTION				
			COUNTY OFFICE	STATE OFFICE	PRODUCER	CONTRACTOR OR WAREHOUSEMAN	D. C. OFFICE
ACP-64	COUNTY OFFICE	3	X	X	X		
			X	1/ X			
			X	XX			
			X	X			
ACP-65	COUNTY OFFICE	3					
ACP-66	STATE OFFICE	4	X	X		X	X
ACP-67	COUNTY OFFICE	4	X	X			XX
WD-5	COUNTY OFFICE	3	X		XX 2/	XX	

1/ This should be the original copy with Part IV executed by producer.

2/ These copies may be carried by the producer or truck driver.

PART IV

PROCEDURE FOR HANDLING SHIPMENTS

Section A. Issuing Government Bills of Lading

1. General

a. Component Parts. A Government bill of lading has three component parts:

- (1) The original, Standard Form No. 1058
- (2) The memorandum, Standard Form No. 1058a
- (3) The shipping order, Standard Form No. 1059

For use in connection with making shipments of material being furnished to producers as grants of aid, the above forms are being prepared in speedisets and assembled as follows:

1 original
3 memorandum copies
1 shipping order, and
2 memorandum copies

b. Consignor and Consignee defined. The consignor is the party who tenders the original bill of lading to the initial carrier. The consignee is the party to whom the last carrier delivers the shipment upon surrender of the original bill of lading.

c. Ordering cars.

- (1) The standard car is 36'6" long, inside measurement. This car is used as a basis for establishing weight of minimum carloads, the minimum increasing with the length of the car. For the purposes of this administration you will use Government bills of lading only for carload shipments of at least minimum carload weight.
- (2) Length to be specified. When ordering the cars the contractor or warehouseman must specify the length of the car required, taking into consideration the articles to be shipped and the weight and bulk thereof, and care must be taken to specify cars not over 36'6" in length, inside measurement, unless longer cars are specifically needed. When longer cars are required, the specific length should be noted on the bill of lading in spaces provided for this information. A car should not be ordered for a shipment without first determining that the quantity to be shipped is sufficient to be moved economically as a carload. If a car of specified length is ordered and the railroad furnishes a car of greater

length for its own convenience, no additional charge for the longer car will be allowed unless the car furnished is fully loaded, in which case the minimum weight of the car furnished will govern.

d. Use by contractors.

- (1) All contracts will specify whether shipment is to be made on Government bill of lading, at Government expense, or on prepaid commercial bill of lading, at the contractor's expense, depending upon the terms of the contract or order covering the purchase of the goods. On contracts made for delivery f.o.b. cars at or near the contractor's shipping point, the contractor will be supplied necessary bills of lading and will be responsible for the delivery of the material into the custody of the transportation company where it will be accepted for movement on Government bill of lading.
 - (2) When shipments are to be forwarded on Government bills of lading, contractors should be given explicit shipping instructions at the time the necessary Government bills of lading are furnished them.
 - (3) When shipment at Government expense is authorized, contractors must not be permitted to prepay charges, nor should carrier forward shipments under their waybills as prepaid, since payment for transportation at Government expense can be made only upon surrender of the original bill of lading properly accomplished at destination.
- e. The issuance of a duplicate of the original copy of bill of lading is prohibited. Other means are prescribed to enable the carrier to secure payment in case of loss of original bill of lading.
- f. The issuance of a Government bill of lading after the service has been performed is prohibited.
- g. Payment for transportation by means of Government bills of lading will be made to the last carrier upon presentation of transportation voucher, properly executed, and supported by accomplished original bill of lading, or certificate in lieu thereof, to the Western Division, Agricultural Adjustment Administration, Washington, D. C.
- h. Bills of lading will be consecutively numbered. Use either typewriter or indelible pencil in the preparation of Government bills of lading. These forms are to be used only for shipments to be transported at Government expense; that is, Government property between two activities, or material purchased f.o.b. factory on which the administration takes delivery at the freight station at point that shipment originates.

IMPORTANT. It is most important that all original bills of lading mutilated in preparation, or issued in error, be marked "cancelled" in bold letters and returned promptly to the Western Division, Agricultural Adjustment Administration, Washington, D. C., in order to prevent them from being unlawfully used, and also to account for the serial number.

- i. State Executive Assistants when issuing Government bills of lading will list no routing other than to name the transportation company serving the warehouse where material is stored or the plant where material is bought f.o.b. cars.

IMPORTANT. Under no circumstances will representative of the Agricultural Adjustment Administration attempt to route a Government bill of lading beyond the above instructions. Should a complete routing for any reason be required, immediately request routing instructions from the D. C. Office of the Western Division.

- j. Omit the description of property shipped. For the purposes of this administration, State Executive Assistants, when issuing Government bills of lading, will make no entries in the body of the bill headed "Marks," "Numbers on Packages," "Number and Kind of Packages," "Description of Articles," and "Weights." These entries will be made by the contractor or warehouseman, and it will be incumbent upon him to classify the material shipped in accordance with freight classifications in effect at the time. Where materials shipped can be classified as any one of several commodities, the classification should be on the basis of the cheapest commodity rate. In order to obtain the benefit of the lowest commercial rates for transportation, commercial names will be used corresponding with those shown in the Consolidated Freight Classification.

2. Preparation of Government Bills of Lading.

- a. On the line headed "Bill to" over the parenthetical expression "(Department or Establishment and Bureau or Service)," there will be printed on the Government bills of lading prepared in speedisets "United States Department of Agriculture, Agricultural Adjustment Administration," followed by the name of the Division or a blank space.
- b. For shipments to be delivered within the Western Region, use bills of lading on which is included "Western Division." For shipments to be delivered at destinations outside of the Western Region, use bills of lading prepared without any reference to the Division and insert the name of the applicable Division.
- c. On the next line "(Appropriation chargeable)" for shipments to destinations within the Western Region, enter the appropriation and allotment symbols, Aaa Request for Shipment number, and the State and county code. The appropriation and allotment symbols covering

the transportation of materials furnished to producers as a grant of aid in the Western Region are as follows:

Appropriation - 1202215(21).031
Allotment - 0760

These appropriation and allotment symbols will be effective in the Western Division until the end of this fiscal year, or June 30, 1940. At that time you should communicate with the D.C. Office of the Western Division about new symbols.

- d. The appropriation and allotment symbols will be furnished with the shipping instructions for shipments to destinations outside of the Western Region.
- e. On the next line underscored "(Issuing Office)," enter the applicable State Office, with full address.
- f. On the next line underscored "(Name and title of issuing officer)" "(Date issued)," enter the name and title of the State Executive Assistant and the date the bill is issued.
- g. On the next line headed "RECEIVED from" and underscored "(Consignor)," enter the name of the company from whom the goods being shipped are purchased, or if the material has been purchased and stored, enter "Agricultural Adjustment Administration."
- h. On the next line underscored "(Name of transportation company)," enter only the name of the transportation company serving the siding at the warehouse or plant of the company from whom the material is being furnished (this should be the initial carrier).

NOTE: State Executive Assistants should familiarize themselves with available shipping facilities at warehouses where materials are stored and at the plants of contractors from whom material is purchased for movement by Government bills of lading, and in the event there is more than one railroad company serving a warehouse or a supplier's plant, it is the desire of the Government to split the tonnage, giving all railroads equal opportunity for participating in the hauling, provided there is no loss to the Government through use of any given common carrier.

- i. In the next blank space underscored "(Shipping point)," enter the name of town or siding, giving also the State where the warehouse or plant from which the material is being shipped is located. (In other words, this is the point of origin of the shipment, the point at which the initial carrier will pick up the material.)
- j. In the next space, following the word "to" and underscored "(Destination)," enter the name of the town or siding, followed by the name of the State to which the shipment is consigned. (This is the point of delivery.)

- k. In the next space underscored "(Consignee)," for shipments of materials to destination located within the Western Region, enter the "_____ County Agricultural Conservation Association, attention Mr. _____." (The name of _____ (address) the county, name of secretary of the county agricultural conservation association and address of the secretary of the county agricultural conservation association, as the case may be, should be supplied in the above three blank spaces respectively.)
- l. For shipments to destinations outside of the Western Region, the name and address of the consignee will be furnished with the shipping instructions.
- m. In the next line headed "via" and underscored "(Route journey only when some substantial interest of the Government is subserved thereby)", enter "Shipment should move over cheapest route, land grants and equalizing lines considered, to protect the lowest published rate."
- n. The spaces in the body of the bill will be left blank for execution by the contractor or warehouseman in accordance with Section A, paragraph 1, j above.
- o. At the bottom of the body of the bill will be found the line
"Pick-up service at origin (was) by the Government.
(was not)"

"

(Signature of Consignor)

Where shipment is taken f.o.b. platform of the warehouse or contractor's plant in carload lots, this line is to be left blank.

- p. All following spaces are to be left blank down to the space headed "CERTIFICATE OF ISSUING OFFICER." On the first line in this space headed "Contract No." enter the number of the contract under which the warehouseman or contractor mentioned above as consignor is operating. This contract number may be found on the award or contract and is usually preceded by "Ais." In the next space headed "Purchase Order No." enter the number of the purchase order, if any, and the date shown on the purchase order.
- q. On the next line, underscored "(F.O.B. point named in contract)," enter the location of the warehouse where material is stored or the f.o.b. point as shown on the contract or blanket purchase order, i.e., the point of origin of the shipment.

- r. On the next line, underscored "(issuing officer)," the State Executive Assistant will sign his name.
- s. On the bottom of the first memorandum copy, following "When signed by originating carrier's agent, forward to:", enter the name and address of the State Office. These are all the entries required in the State Office, and the bill of lading is then in proper order to be forwarded to the warehouseman or the contractor for moving the shipment.

3. Accomplishment

- a. General. The accomplishment of a bill of lading is the execution thereon of an acknowledgment that the service called for thereby has been performed by the carrier, and a bill of lading so accomplished becomes the evidence upon which payment for this service will be made. The procedure for accomplishment of Government bills of lading is covered in Section B, paragraphs 2, 3, and 4 below of these instructions.

4. Disposition

- a. When a bill of lading is prepared in the State Office, the last memorandum copy will be removed and retained in the State Office files. The original, the shipping order, and four memorandum copies of the Government bill of lading will be forwarded to the contractor, warehouseman or supplier, as the case may be, together with the original of Form ACP-66, "Request for Shipment," on which has been noted the number of the contract against which the material is being drawn. The contractor or warehouseman, upon receipt of a Form ACP-66, together with a bill of lading, will secure a car, load it, and seal it. Before surrendering the shipment to the originating carrier, the contractor or warehouseman will fill in the body of the bill of lading for description of the articles in accordance with Section A, paragraph 1, j above. In the space just below the body of the bill, the contractor or warehouseman will enter on the bill of lading the size of the car ordered, the size of the car furnished, the date furnished, the initials of the car, and the car number. Thus completed, the Government bill of lading and all copies should be submitted to the originating carrier's agent for execution in the right-hand block just above the signature of the issuing officer. Upon execution by the carrier's agent in this block on all copies, the warehouseman or contractor will surrender to the carrier the shipping order, Standard Form No. 1059. He will then forward, at once, the original bill of lading, Standard Form No. 1058, direct to the consignee as named on the face of the bill. The remaining four memorandum copies, Standard Forms No. 1058a, are to be distributed as indicated on the bottom of each to: State Office where issued; Western Division, Agricultural Adjustment Administration,

Washington, D. C.; Audit Section, Agricultural Adjustment Administration, Washington, D. C.; and the fourth copy is to be kept for his records.

Section B. Receiving Shipments on Government Bills of Lading

1. It will be necessary from time to time to move materials on Government bills of lading from warehouses or contractors to destinations located in the Western Region, as well as points outside of the Western Region. Immediately after the shipment moves, the original copy of bill of lading (Standard Form 1058) will be forwarded to the consignee.
2. Upon receipt of the shipment, the consignee will accomplish the original bill of lading and surrender it to the agent of the last carrier.

The consignee should check the small space just under the body of the bill of lading to see that the following have been noted thereon:

- a. Size car ordered.....ft.
- b. Size car furnished.....ft.
- c. Date furnished.....
- d. Initials.....
- e. Car No.

If this information has not been entered, he should complete items, b, d, and e, which are readily accessible to him.

He should note on the face of the bill of lading a record of the car seals before breaking them. Include the numbers and whether car moved under shipper's seal or carrier's seal. This is necessary in order to establish responsibility in case of loss or damage to the shipment.

3. The consignee will then open the car and check the contents against the bill of lading. He should check for quantity, weight, condition, loss, and damage. If it is found that the shipment checks against the bill and contents are in good order, he should then execute the certificate of delivery at the bottom of the bill of lading, taking care to see that the sentence "Delivery service at destination (was, was not) by the Government" is properly accomplished. For the purposes of this administration, delivery will always be by Government when shipped by Government bill of lading. Show this by striking out "was not." In no case will the minimum carload weight be shown in the certificate of delivery, but rather the actual weight received and shown in the body of the bill, less the weight of loss or shortage, if any, and plus the weight of overage, if any.
4. In the event of a loss, damage, shortage, or overage, complete information shall be noted on the reverse of the bill of lading in the space provided before release of the original to the carrier's agent.

A certificate of inspection should be obtained from the carrier's agent if possible, in duplicate, to accompany a letter of explanation by the consignee and Form ACP-67 to the State Executive Assistant. Forms ACP-67 will be made out for shipments moving on Government bills of lading, the same as on all other shipments to points located in the Western Region.

5. Cars must be unloaded within a reasonable time. The time usually allowed is forty-eight hours after car is placed for unloading and is called "free time." If a longer time is taken in unloading, a charge called "demurrage" is made by the railroad. The freight agent should be consulted for the "free time" and arrangements made to complete unloading within that time, as the Government will not allow payment for a demurrage charge.
6. "Temporary Receipt and Certificate in Lieu of lost Bill of Lading." In the event the bill of lading has not been received by the consignee at the time notice of arrival is given by the carrier, Standard Form 1060, "Temporary Receipt," will be submitted to the delivering carrier for property actually received. The bill of lading will be executed and delivered to the carrier when received and the "Temporary Receipt" picked up and destroyed. The bill of lading must show the date of its delivery to the carrier, as well as date of delivery of the shipment. If the bill of lading is not received within a reasonable time, or proof of loss is established, a "Certificate in Lieu of Lost Bill of Lading," Standard Form 1061, should be executed in duplicate, one copy to go to the carrier and one to the D. C. Office of the Western Division. The "Temporary Receipt" should be picked up and destroyed. Should the original bill of lading be located after issuance of the "Certificate in Lieu of Lost Bill of Lading", the bill of lading should not be executed, but a notation made on the face to the effect that "Certificate in Lieu of Lost Bill of Lading" has been issued. The original bill should then be forwarded to the D. C. Office of the Western Division.
7. Reconsignment or Diversion. A shipment may be reconsigned or diverted to a new consignee or another destination if the shipment is still in transit, or, having arrived at destination, the shipment has not yet been removed from the carrier's possession. Carriers allow twenty-four hours "free time" in which to accomplish a reconsignment or diversion. This must be done promptly in order to avoid demurrage or storage. To accomplish this, written instructions directing the consignment or diversion will be given the proper agent of the carrier who has physical charge of the shipment at the time.

Communicate with the original consignee, and secure the original bill of lading. Endorse the original bill of lading across the spaces under the headings "Marks," "numbers on packages," "number and kind of package" and "Description of articles" as follows: "This shipment reconsigned to _____ on this bill of lading. No other bill of lading issued to cover haul from _____ to _____. Authority for reconsigning

Signed _____

Forward the original bill of lading, endorsed as required above, to the new consignee. Make a full report of the transaction, in writing, to the D. C. Office of the Western Division.

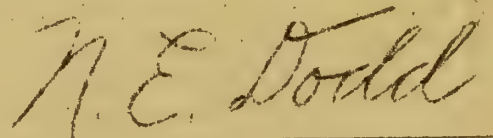
Section C. Receiving Carload Shipments of Materials on Commercial Bills of Lading.

1. The consignee, upon receipt of notice of arrival of car, and before signing for delivery, will proceed as follows:
 - a. Note a record of car seals, before breaking them. Include the numbers and whether car moved under shipper's seal or carrier's seal.
 - b. Open the car and check the contents against the bill of lading. Check for quantity, weight, condition, loss, overage, and damage. If it is found the shipment checks against the bill and contents are in good order, execute the certificate of delivery.
 - c. In the event of loss, damage, shortage, or overage, execute certificate of delivery with exception and report all facts to the State Office with the Form ACP-67. A double check at least should be made as unloading is effected. This may be accomplished by two men checking against each other as the material is unloaded, or counting the tiers in the car before unloading and then the bags or units as unloaded.

If on opening a car damage or loss is evident, the consignee should, before touching the shipment call in the freight agent for an inspection, have him go over the shipment, and secure from him a report, in duplicate if possible, of the damage or loss. If a freight agent is not available and to wait for an inspector of the carrier would cause the incurring of demurrage charges, the unloading may be effected after calling in a disinterested party and securing a certificate of findings by him. This last method is helpful but should not be resorted to if at all possible to arrange for a freight agent or carrier's inspector.
 - d. In no case will the minimum carload weight be shown in the certificate of delivery, but rather the actual weight received and shown in the body of the bill of lading less the weight of loss or shortage, if any, and plus the weight of overage, if any.
 - e. Cars must be unloaded in a reasonable time. The time usually allowed is forty-eight hours after car is placed for unloading and is called "free time." If a longer time is taken in unloading, a demurrage charge is made by the railroad. The freight agent should be consulted for the "free time" and arrangements made to complete unloading within that time.
 - f. The date of receipt of shipment should be the date the car is placed for unloading and made available to the consignee, not the date of notice of arrival. To divert or reconsign a shipment traveling by

commercial bill of lading issued by a supplier under contract, call or wire the D.C. Office of the Western Division, giving full information. The D.C. Office will handle the transaction with the contractor.

2. Most contracts for materials carry a discount for prompt payment of vouchers. These periods are in some instances as short as ten days. The Government regulations regarding discounts are very incontrovertible, even to the point of requiring the placement of individual responsibility, and, if lost without good reason, charging that individual personally for the amount lost. It is therefore believed that Form ACP-67 and the information requested above should be forwarded to the State Office within twenty-four hours after receipt of a shipment in most instances, and in any event within forty-eight hours. The required receipt should be routed to the D. C. Office of the Western Division within seventy-two hours, provided the voucher covering the material has been received.



Director, Western Division.

FLOW CHART ON GOVERNMENT BILLS OF LADING

From	To	Original Bill of Lading Form 1058	Shipping Order Form 1059	Form 1058a Memorandum Copies of Bill of Lading					Forms
				1	2	3	4	5	
State Executive Assistant	Contractor or Warehouseman	X	X	X	X	X	X	5	ACP 66
Contractor or Warehouseman	Initial Carrier or its Agt.	X	X	X	X	X	X	Retained by State Office	Retained by contractor or warehouseman
Initial Carrier	Contractor or Warehouseman	X	Retained by Carrier	X	X	X	X		
Contractor or Warehouseman	Consignee	X					Retained by contractor or warehouseman		
Contractor or Warehouseman	Western Division A. A. A.			Retained by State Office	Retained by D.C. Office Western Division	Audit Section A. A. A.			
Consignee	Delivering Carrier	X							

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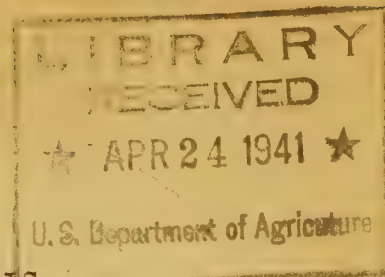
WD-13, Supplement 1.

Issued April 9, 1941

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

WESTERN DIVISION

COUNTY OFFICE INSTRUCTIONS
FOR
HANDLING REQUESTS FOR CONSERVATION MATERIALS



The instructions issued in WD-13 are amended as follows:

- A. Delete Part II, section A, paragraph 1, subheadings a to u and substitute therefor the following:

Section A. Requesting Material

1. Preparation of Form ACP-64-NC-WR. Until further notified, producers who make requests for conservation material will execute a separate Form ACP-64-NC-WR, "Request for Conservation Material - Agricultural Conservation Program," revised September 9, 1940, for each type of conservation material requested, as follows:

The county office will:

- a. Enter in the space provided in the upper right-hand corner the names and code numbers of the State and county, and the farm number covering the farm with respect to which the material is requested.
- b. Enter "1941," "1942," as the case may be, in the space provided for "Program Year."
- c. Enter in section I the name of the applicant requesting the conservation material in the space provided.
- d. Enter, in the space provided, the applicant's post office and rural route address, and the name of the county and State.
- e. In the column headed "Material," enter "Bagged" or "Bulk," whichever is applicable, followed by the name of the material desired; e. g., "Lime," "Triple Superphosphate," "20% Superphosphate," or the variety of seed desired; i. e., "Austrian winter peas" or "hairy vetch," or any other designation that is applicable.
- f. In the column headed "Type of Delivery," enter the type of delivery desired, which must be in a manner prescribed by the contract.
- g. In the column headed "Quantity," enter the number of pounds of material desired (always expressed in multiples of 100).

- h. In the column headed "Approximate Unit Cost," enter the approximate cost per 100 pounds, or the approximate cost per ton, as the case may be, and in the column headed "Approximate Total Cost," enter the figure resulting from the multiplication of the figures appearing in the columns headed "Quantity" and "Approximate Unit Cost."
- i. In the column headed "Notation" make no entry.
- j. The signature of the applicant and the date the signature was affixed should be entered in the space provided.
- k. The amount of the producer's agricultural conservation payment now available for conservation materials and the date and signature of the county committee member approving the request should be entered in the spaces provided in section II.
- l. Section III shall be executed by the producer upon delivery of the material to him by entering in the first column the quantity received, in the second column a description of the material, which should correspond to the entry under e above, and by dating and signing in the spaces provided.

The white Form ACP-64-NC-WR shall be forwarded to the State Office with the white and blue copy of the related Form ACP-65 executed as outlined in paragraph 2 below. When the white copy of Form ACP-64-NC-WR is returned to the county office, any corrections made thereon by the State Office should be noted on the yellow and blue copies which were retained in the county office. Thereafter, the blue copy should be delivered to the producer.

B. Delete section B, paragraphs 1 c and 1 d and substitute the following:

- c. At least two samples must be taken at destination from the material furnished under each contract. The State Office will advise the county office when and from which shipments the samples shall be taken for analysis. Additional samples may be taken from later shipments if there is reason to believe the quality of the material is not up to the contract specifications. All samples are to be taken in the manner prescribed by the laws of the State and in accordance with any regulations that may have been issued by the State Department of Agriculture as a prerequisite to analyzing it.
- d. Each sample taken at destination point will be labeled "County Sample," and properly identified as to date sample was taken, contract number, and other necessary information, and then forwarded to the State Office for analysis. Samples may be analyzed in the laboratory of the State Department of Agriculture, or if such facilities are lacking, the samples may be forwarded to the Washington, D. C., office of the Western Division for transmittal

to the Bureau of Plant Industry or other agency of the U. S.
Department of Agriculture.

- C. In section B, paragraph 2, subheading a (4), change the words "Section IV of Form ACP-64," to "Section III of Form ACP-64-NC-WR."
- D. In section C, paragraph 1, change the heading from "Execution of Section IV" to "Execution of Section III," and wherever the words "Section IV of ACP-64" appear, substitute the words "Section III of ACP-64-NC-WR."
- E. Wherever "ACP-64" appears in WD-13 substitute "ACP-64-NC-WR."

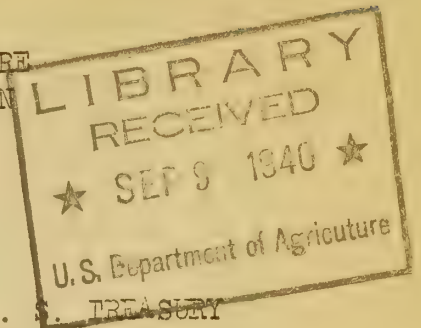

Acting Director, Western Division.

Issued August 24, 1940

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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WESTERN DIVISION

STATE OFFICE PROCEDURE



UNDELIVERED, LOST, STOLEN, DESTROYED, AND FORGED U. S. TREASURY
CHECKS; REFUNDS; AND ADJUSTMENT CASES

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UNDELIVERED, LOST, STOLEN, DESTROYED, AND FORGED U. S. TREASURY
CHECKS; REFUNDS; AND ADJUSTMENT CASES

I. DEFINITIONS

A. The following terms, as used in this procedure have the meanings set forth below:

1. ADJUSTMENT APPLICATION means an application filed for the purpose of correcting the original application (which has been certified by the State, approved by Preaudit, and paid by R.D.O.) on which there is an error in basic data. Any erroneous entry made by either the applicant or the county office shall be considered an error in basic data.
2. DUMMY APPLICATION means an application prepared in the State Office for the purpose of correcting an error made by the State Office on the original application under which payment has been made. The basic data on the dummy application must be the same as that on the original. It will not be signed by the applicant or county committeeman.
3. The complete numbers and titles of the forms referred to throughout the procedure are as follows:

Form 1044 - Standard Form No. 1044-Revised, "Schedule of Collections."
Form 1046 - Standard Form No. 1046-Revised, "Schedule of Transfers - Special Deposits."
Form 1047 - Standard Form No. 1047, "Public Voucher for Refunds."
Form 1048 - Standard Form No. 1048, "Memorandum Public Voucher for Refunds."
Form 1064 - Standard Form No. 1064-Revised, "Schedule of Disbursements."
Form 1096 - Standard Form No. 1096, "Schedule of Voucher Deductions."
Form 1664A - Form 1664A (Revised), "Notice of Check Returned."
(Treasury Department form)
Form 1669 - Treasury Form 1669, "Request for Transfer of Funds to Regional Disbursing Office Accounts."
ACP-24 - Form ACP-24, "Debit Voucher for Uncollectible Check(s) Returned."
ACP-28 - Form ACP-28, "Official Receipt."
ACP-28A - Form ACP-28A, "Notice to Remitter."

4. The following abbreviations and terms have the meanings listed below:

USDA - United States Department of Agriculture.
RDO - means the Regional Disbursing Office serving the State.
Preaudit Office - means the local field preaudit office of GAO serving the State Office.
GAO - General Accounting Office in Washington, D. C.
Register - Register of indebtedness.
Western Division - Washington, D. C. office of the Western Division.

II. RETURN OF UNDELIVERED U. S. TREASURY CHECKS.

A. Returned to Regional Disbursing Office.

Each county association treasurer is required to return to the RDO all U. S. Treasury checks which he is unable to deliver or which should not be delivered. Checks which have been mailed to the payees are also returned to the RDO if the post office is unable to deliver them. In addition, a check which is delivered to the payee and thereafter returned to the county for any reason should be sent direct to the RDO.

If a U. S. Treasury check is returned to the State Office, the adjustment clerk shall immediately forward such check, and a copy of the letter of explanation accompanying it, to the RDO.

B. Reissuance of Check Drawn Erroneously by Regional Disbursing Office.

When a check is returned to the RDO because it does not agree with the continuation sheet on which the payment was scheduled, the RDO will issue another check and forward it to the county. Ordinarily the State Office will not be notified that the check was returned inasmuch as no administrative determination is necessary. In the event, however, that a county office informs the State Office that a new check has not been received within a reasonable time, the State Office should so advise the RDO and ask that the check be reissued.

C. Preparation of Form 1664-A by Regional Disbursing Office.

Upon receipt of a U. S. Treasury check (other than a check erroneously issued by RDO) the RDO will prepare Form 1664-A, "Notice of Check Returned" showing the name and address of payee, the county code and serial number of the application in connection with which the check was issued, check number, date of check, amount of check, D. O. symbol number, the date the check was returned, and the reason for its return, and will forward the original and three copies of the form to the State Office.

The returned check will be held in the RDO until a date 90 days from the first of the month next succeeding the month in which it was issued, unless appropriate disposition can be made of it within the 90-day period. A check which is on hand in the RDO at the expiration of such period will be transmitted to the General Accounting Office at Washington, D. C., where it will be held until the close of the fiscal year next following the fiscal year in which it was issued, unless it is possible to make appropriate disposition of the check within such period. Any check on hand in the General Accounting Office at the close of the fiscal year next following the fiscal year in which it was issued will be deposited to a trust fund account entitled Outstanding Liabilities. When a check is deposited in Outstanding Liabilities, the final determination regarding any further disposition of the proceeds of such check is made by the General Accounting Office.

Any check which is not returned to the RDO until the 90-day period (beginning with the first of the month next succeeding the month in which the check was issued) has expired will be forwarded immediately to the General Accounting Office at Washington, D. C.

D. Preparation of ACP-28 and ACP-28A.

Upon receipt of form 1664-A, the adjustment clerk shall determine that the application number appearing thereon is correct and shall enter the form number of such application in the upper right-hand corner of form 1664-A. Also determine and enter the D. O. voucher number and the date such voucher was paid. Then prepare ACP-28 in quintuplicate (original and 3 copies of ACP-28 and one copy of ACP-28A) as follows:

1. On the lines provided enter the name and address of the remitter (the county treasurer, if the check was returned by the treasurer); the applicant's name; the nature of remittance (enter "U. S. Treasury check"); the person to whom the Treasury check was issued, the date of the check, the check number and the amount. In the space above "State and County Code No." enter the form number of the application in connection with which the check was issued, and on the lines provided enter the State and county code and serial number of such application.
2. Date and initial ACP-28A. This form shall then be signed and mailed to the remitter as a receipt.
3. On the original and all remaining copies of ACP-28 enter on the lines provided the D. O. voucher number shown on 1664-A, the date such voucher was paid, and the date ACP-28A was mailed. Initial the original and all copies of ACP-28.
4. File ACP-28 (original and 3 copies) by counties, in application serial number order, pending development and settlement of the case.
5. File form 1664-A (original and 3 copies) in a special file provided for such purpose. The file should be set up on a monthly basis; and all forms 1664-A filed in sequence according to the date on which the checks represented were issued. Consequently, the adjustment clerk will be able to determine at all times the checks which will be forwarded by the RDO to the Washington GAO at the beginning of a particular month.

III. FORWARDING OF UNDELIVERED U. S. TREASURY CHECK TO PAYEE.

A. General.

If it is determined that a check which has been returned to and is on file in the RDO should be forwarded to the payee, either the payee or a county committeeman must submit a written request for it. In the event, however, that the check is being held by the General Accounting Office, only the payee or one authorized to act on his behalf may file a request for it. Such request to GAO must also be in writing and, although it is forwarded to the State Office, the letter should be addressed to the Claims Division, General Accounting Office, Washington, D. C. Regardless of the location of the check, the request that it be forwarded to the payee must contain the payee's present address.

The county office will be able to see that the request for the check is properly addressed by determining the location of the check from their record of the date on which it was issued.

Upon receipt of a request that the check be forwarded to the payee, the adjustment clerk will follow the procedure in either paragraph B or C below.

B. Check in possession of the Regional Disbursing Office.

If the check is in the RDO, enter a check mark on the original and three copies of form 1664-A in the square before "Remailed to name and address below." In the block in the center of the form enter the name and address of the payee as shown on the request received from the county. Also enter the date and the title of the Certifying Officer who must sign the first carbon copy and initial the original and second carbon copy.

Transmit the original, the first and second copies of form 1664-A to the RDO. The RDO will retain the first copy of form 1664-A, will forward the second copy to the Treasurer of the proper county association, and will forward the original and the U. S. Treasury check to the payee.

The adjustment clerk shall also withdraw the appropriate ACP-28 (original and 3 copies) from the file and dispose of two copies. On the original and one copy enter a statement to the effect that under date of _____ the RDO was requested to forward the check to the payee at the address shown on form 1664-A. Sign the copy of ACP-28 and send it to the county office. The original, with form 1664-A and the request for the check attached shall be filed with the copy of the application for payment involved.

C. Check in possession of the General Accounting Office.

If the check has been transmitted to the General Accounting Office in Washington, D. C., the adjustment clerk shall withdraw the forms 1664-A and ACP-28 from the files and prepare an administrative report on AD-42 in quintuple in the following manner:

1. Omit the date. It will be entered in the office of Budget and Finance.
2. Enter the name and address of the payee in the space provided.
3. Enter the amount of the check after the \$ sign and the same amount after "approved for." Delete the word "chargeable" and enter after "Appropriation" the symbol and title of the appropriation against which the check was drawn.
4. In the space provided in the lower part of the form enter a report (beginning with "According to the records of the _____ State Office, Western Division, Agricultural Adjustment Administration") showing that check No. _____, dated _____, issued to _____, in the amount of \$ _____ under application for payment No. _____ filed in connection with _____ program, is correct. Also include the location and symbol number of the Regional Disbursing Office which issued the check. The date on which it was transmitted to the

General Accounting Office by the RDO need not be entered. Be sure that the information entered in the blank spaces is correct.

5. Enter the name and address of the certifying officer on the first copy of AD-42. The certifying officer must initial the original and first two copies of the form beneath the title "Director of Finance."

The adjustment clerk will dispose of two copies of ACP-28 and three copies of form 1664-A. On the original and one copy of ACP-28 enter a statement to the effect that under date of _____, a request that the check be forwarded to the payee was sent to the General Accounting Office in Washington, D. C. Sign the copy ACP-28 and send it to the county office. Attach the original 1664-A and a copy of AD-42 to the original ACP-28 and file with the copy of the application for payment involved.

Transmit the original, first, second, and third copies of AD-42, together with the written request from the payee, to the Western Division. After the case has been checked, one copy of AD-42 will be retained by the Division and the original and two copies will be forwarded to the Office of Budget and Finance where the form will be dated and signed. The office of Budget and Finance will forward to the General Accounting Office the original AD-42 and the written request from the payee. A copy of AD-42 will be retained in the Office of Budget and Finance and the remaining copy, with the date of transmittal to GAO shown thereon, will be returned, through the Western Division, to the State Office.

IV. CANCELLATION OF UNDELIVERED U. S. TREASURY CHECKS.

Any undelivered U. S. Treasury check which is to be canceled will have been returned to the RDO and forms 1664-A, ACP-28 and ACP-28A will have been prepared and distributed in accordance with section II of this WD-14.

Upon determining that a check should be canceled, follow the procedure in either paragraph A or B below, depending upon the location of the check. (Refer to Section I, D, 5.) A check should be canceled if the name of the payee is incorrect, if the amount is in excess of that due, if the payee is deceased or incompetent, if the payee is indebted to the AAA, or if for any other reason it is determined that the payee is not entitled to the full amount of the check. Do not, however, request cancellation of any check which has been covered into the outstanding liabilities account.

A. Check in possession of the Regional Disbursing Office.

The adjustment clerk will use Standard Form 1098 "Schedule of Cancelled Checks" for the purpose of requesting cancellation of U. S. Treasury Checks in possession of RDO.

1. Preparation of Form 1098.

- a. Prepare an original and 9 copies.

- b. More than one check may be listed on form 1098, but all checks listed must have been issued in connection with applications from the same county. Enter the State and county code numbers above the title of the form.
- c. Beginning with each fiscal year, a new series of schedule numbers should be assigned. The schedule number of each form 1098 should contain the fiscal year and the proper figure showing the number which the form being prepared is of the series; i.e., 41-1, 41-2, 42-1, 42-2, etc. Where more than one sheet is required for a schedule, the sheet numbers shall run consecutively for each schedule.
- d. Enter "Agriculture" on the line above "Department or Establishment" and on the line above "Bureau or Office" enter "AAA, Western Division" and the name of the city and State in which the State Office is located. Following the words "Received by" enter "G. F. Allen, Chief Disbursing Officer" and the name of the City and State where the RDO is located. On the next line "Month or quarter ended" enter the month in which the State Office anticipates that appropriate action will be taken by the Disbursing Officer. After "D. O. Symbol No." enter the collection symbol number furnished by the RDO.
- e. In the first column enter the date of the check which is to be cancelled.
- f. In the second column enter the number of the check which is to be cancelled.
- g. In the third column enter the name of the payee.
- h. In the fourth column enter "D. O. voucher No. _____ paid under date of _____" showing the number and date of the voucher on which the check being cancelled was paid. This information will appear on the 1664-A. Also enter briefly the reason for cancellation, such as "overpayment," "not entitled," "deceased," "incompetent," etc.
- i. In the fifth column enter the amount of the check.
- j. In the last column enter the symbol and title of the appropriation (including the farm payment limitation) or fund against which the check was drawn.
- k. Total all amounts in the fifth column and enter the result in the space provided.
- l. Immediately above the total line type or stamp the notation "Date _____, Transmitted by _____, Title _____" and enter the date on which the form is being forwarded to RDO and the title of the certifying officer. The certifying officer

must sign the original and enter his facsimile signature on the copies of form 1098 on the line following "Transmitted by."

- m. Make no entries in the certification in the lower margin of the form, as this space is reserved for the use of RDO.
- n. In a conspicuous place on the third copy of form 1098 stamp the notation, "Forward to Control Accounts and Reports Section, AAA, Washington, D. C." On two other copies enter the notation "Forward to the _____ preaudit office" showing in the blank space the location of the Preaudit office handling the work for the State.

2. Distribution of Form 1098, ACP-28, and Form 1664-A.

- a. The original and 6 copies (including the third copy marked for the Control Accounts and Reports Section of the AAA and the two copies marked for the Preaudit office) and the first copy of form 1664-A (checked in the square before "Cancelled - Schedule herewith," and signed by the Certifying Officer who must also have entered his title and the date of his signature) shall be transmitted to the RDO. After appropriate action has been taken by that office, a receipted copy of form 1098 will be returned to the State Office. The RDO will also forward the cancelled check and the two copies of form 1098 to the Preaudit office. One copy of form 1098 will be signed in the Preaudit office and returned to the RDO as a receipt. The cancelled check will be sent to the Records Division of the General Accounting Office, and one copy of form 1098 will be retained by the Preaudit office.
- b. Forward one copy to the Accounting and Bookkeeping Division, General Accounting Office, Washington, D. C., and retain two copies in a pending file awaiting the return of the receipted copy from the RDO.

Upon return of the receipted copy, the information appearing in the lower left-hand corner of such copy must be entered on the pending file copies. One of the pending file copies should be retained by the adjustment clerk and the other transmitted immediately to the Office of Budget and Finance, Department of Agriculture, Washington, D. C. This latter copy should be transmitted with a cover letter on which the form number, schedule number, and total amount of the schedule are shown. (Any other forms being sent to the Office of Budget and Finance the same day may be listed on and mailed with the same cover letter.) An extra copy of the letter should be held in the State Office until the end of the month at which time it should be sent, together with all others prepared during the month, to the Control Accounts and Reports Section, AAA, Washington, D. C. This will enable the Control Accounts and Reports Section to determine whether they have received all of the necessary forms from the RDO.

- c. From the receipted copy of form 1098, enter a cross reference on the forms 1664A and ACP-28 as follows:

- (1) On the original form 1664A enter "Check Cancelled," the schedule number of the form 1098, and the date form 1098 was signed by the Disbursing Officer. The adjustment clerk may dispose of the two remaining copies of form 1664A.
 - (2) On form ACP-28 (original and 3 copies) delete "Form 1044 Rev." and enter "Form 1098." Then enter the schedule number of form 1098 in the space provided, and under "Action taken" enter the notation "Check cancelled" and the reason therefor, together with the date form 1098 was signed by the Disbursing Officer. Also enter the notation "Decrease _____ administrative expense deduction \$ _____," showing in the blank spaces the amount, if any, of administrative expense previously charged under the application and the year and program with respect to which the application was filed.
- d. Determine whether the application with respect to which the check was issued is eligible to be submitted as an adjustment case, i.e., whether another check may be issued in accordance with the procedure hereinafter established.
- (1) If the case is eligible to be submitted as an adjustment case, enter the notation "resubmittable item" on the ACP-28 (original and 3 copies) in the space beneath "Action Taken." The original and first copy of ACP-28, together with the original form 1664-A, shall be returned to the files awaiting final development of the case. (For final distribution of these forms, see Section XIII.) The two remaining copies of ACP-28 shall be distributed in accordance with subparagraph e below.
 - (2) If the case is not eligible for submission as an adjustment case, (for example, the cancelled check was a duplicate payment) enter in the space headed "Action Taken" on ACP-28 the notation "Not Resubmittable" and the reason therefor. Two copies shall be distributed in accordance with subparagraph e below, and the first copy with the original 1664-A attached shall be filed with the application. The original ACP-28 may be disposed of.
- e. The receipted copy of form 1098 shall be transmitted to the Accountant, together with a copy of ACP-28 for each check listed thereon. Forward to the Control Accounts and Reports Section, AAA, Washington, D. C., the remaining copy of each ACP-28 on which an adjustment in the administrative expense account has been entered. This remaining copy of any ACP-28 on which an adjustment in the administrative expense account is not shown, may be disposed of.

B. Check in possession of General Accounting Office in Washington.

The adjustment clerk will use form AAA-275 for the purpose of requesting cancellation of a U. S. Treasury check which has been returned to the General Accounting Office; unless the check has been covered into Outstanding Liabilities, in which event cancellation may not be requested.

1. Preparation of Form AAA-375.

- a. Prepare an original and four copies.
- b. In the upper right-hand corner enter the State and county code and serial number of the application for payment in connection with which the check was issued.
- c. Beginning with each fiscal year, a new series of schedule numbers should be assigned. The schedule number of each form AAA-375 should contain the fiscal year and the proper figure showing the number which the form being prepared is of the series; i.e., 41-1, 41-2, 42-1, 42-2, etc.
- d. The date shall be that on which the form is prepared.
- e. In the space immediately below the title of the form enter "Through Chief of Party, _____ Preaudit Office" and the address of such office.
- f. Enter complete information regarding the check in the first paragraph.
- g. Following "It has been determined that the payee of the above-described check" enter either "was overpaid," "is not entitled to the payment," "is deceased," "has been declared incompetent," or other applicable reason.
- h. Following "In view of the reasons stated above, it is requested that the check be cancelled and the proceeds thereof deposited to the credit of appropriation:" enter the symbol and title of the appropriation (including the farm payment limitation) against which the check was drawn.
- i. Enter the title of the Certifying Officer, the name of the State Office, and the word "Western" on the lines provided beneath the line for the signature.
- j. On the last line enter the name and address of the Certifying Officer and the notation "Through _____ Preaudit Office" with the address of the Preaudit Office shown in the blank space.
- k. The Certifying Officer must sign the form on the line provided.

2. Distribution of AAA-375, ACP-28, and form 1664-A.

- a. Forward the original and three copies to Preaudit and file one copy in the State Office. The Preaudit office will forward the forms to the Washington GAO where the check will be cancelled. The original of AAA-375 will be kept by the Check Section of GAO, one copy will be kept by the Preaudit Section of GAO, one copy

will be kept by the local Preaudit Office, and one copy will be returned to the State Office.

- b. Upon receipt of the copy of AAA-375, the adjustment clerk shall withdraw forms ACP-28 and 1664-A from the files. The three copies of 1664-A may be disposed of. On the original 1664-A enter "Check cancelled by GAO" and the date of cancellation. On ACP-28 (original and 3 copies) enter "Check cancelled by General Accounting Office, see AAA-375 schedule No. _____.", the reason therefor, and the date of cancellation. Also enter the notation "Decrease _____ administrative expense deduction \$ _____," showing in the blank spaces the amount, if any, of administrative expenses previously charged under the application and the year and program with respect to which the application was filed. Then determine whether the case is eligible to be resubmitted as an adjustment case.

(1) If the case is eligible to be submitted as an adjustment case, enter "Resubmittable item" on form ACP-28. The original and first copy of ACP-28, together with the original form 1664-A, shall be returned to the files awaiting final development of the case. (For final distribution of these forms, see Section XIII.) The two remaining copies of ACP-28 shall be distributed in accordance with c below.

(2) If the case is not eligible for submission as an adjustment case, enter "Not Resubmittable" on ACP-28 and the reason therefor. The original ACP-28 may be disposed of. The first copy of ACP-28, with the original form 1664-A attached, shall be filed with the application. The two remaining copies of ACP-28 shall be distributed in accordance with c below.

- c. Forward the copy of AAA-375 returned by the Preaudit Office and a copy of ACP-28 to the Accountant. If a notation regarding a change in the administrative expense account was entered on ACP-28, forward the remaining copy to the Control Accounts and Reports Section, AAA, Washington, D. C. This remaining copy of any ACP-28 on which an adjustment in the administrative expense account is not shown, may be disposed of.

V. LOST, STOLEN, DESTROYED, AND FORGED U. S. TREASURY CHECKS.

A. Notification to Regional Disbursing Office.

The RDO should have been notified immediately by the county office or the payee in each case where a U. S. Treasury check is lost, stolen or destroyed, or where it is alleged that a check has been forged. A copy of the notification should have been forwarded to the State Office for information purposes. In the event that the original notification is received in the State Office, it should be sent to the RDO without delay.

It must include the check number, date, amount, name of payee, and the D. O. symbol number.

After the RDO has been notified, the case is under the exclusive jurisdiction of the Treasury Department. Where the check is later found or recovered, the payee should request the RDO to remove the stop order placed against it; but the payee should not cash the check until one week after requesting the removal of the stop order. If a duplicate check had been issued prior to the recovery of the original, the original check must be returned to the RDO.

B. Notification to United States Secret Service.

The local office of United States Secret Service must also be notified when a U. S. Treasury check has been lost, stolen, destroyed, or forged. The notice to the Secret Service shall be a signed copy of the notice sent to the RDO.

C. Report to Treasury and, where necessary, to GAO Regarding a Forged U. S. Treasury Check.

Where it is alleged that a Treasury check has been forged, the State Office will receive, through the RDO, a form letter from the Treasurer of the United States requesting information as to whether there is any reason why the payee should not receive a check in the amount originally certified.

Upon receipt of the letter, the adjustment clerk shall examine the file copy of the application under which the check was issued, any correspondence regarding the case which may be available in the State Office, and the register of indebtedness in order to determine whether there is any reason why payment should not be made to the payee of the check. If the payee is indebted, follow the procedure in section I, paragraph H of WD-7. If the payee is entitled to the amount of the check or if the payee is not entitled to the amount of the check because an overpayment was made in connection with the application, follow the procedure in either paragraph 1 or 2 below.

1. Alleged forged check not yet paid by Treasury.

a. Payee entitled to the full amount of the check.

(1) Preparation of letter to Treasurer.

Where the letter from the Treasurer of the United States shows that the check has not been paid, prepare a reply, in the form of a letter such as that outlined below, in quadruplicate on stationery bearing the Office of Budget and Finance letterhead. No date or signature will be entered; but the Certifying Officer must initial the original and first two copies beneath the words "Director of Finance" and the name and address of the Certifying Officer must be typed in the lower margin of the first copy. Enter the appropriate information in the blank spaces.

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF BUDGET AND FINANCE
Washington, D. C.

Treasurer of the United States,

Accounting Division.

Dear Sir:

Re: _____

In reply to your letter of _____, wherein you advise that payment of check numbered _____, dated _____, in the amount of \$ _____, drawn by G. F. Allen, symbol _____, payee _____, was declined on account of an alleged forged endorsement of the payee's name, you are advised as follows:

An examination of the records relative to the _____ application for payment No. _____, executed by _____, discloses the fact that no overpayment exists in the account of this payee and there appears no reason why settlement should not be made with _____ in the amount of \$ _____ provided that such person has not received the proceeds of the check.

Very truly yours,

Director of Finance.

(2) Distribution of letters.

The letter from the Treasurer of the United States and the third copy of the letter addressed to the Treasurer of the United States shall be filed. The original and two copies of the letter to the Treasurer of the United States, and a copy of the letter from the Treasurer of the United States shall be forwarded to the Western Division.

- b. Payee not entitled to amount of check because it represents an overpayment.

Where it is found that the check is in excess of the amount due because of an error in basic data or in computation on the application or because of an error in scheduling the payment on the voucher forms, the adjustment clerk shall prepare a reply to the Treasurer of the United States and an administrative report for the General Accounting Office in the manner outlined below. The amount of the overpayment shall be determined in accordance with Section XIII or XIV of this WD-14. In the event that there was an error in basic data on the application in connection with which the forged check was issued, the investigation, examination, and determination

regarding fraudulent action must also be made in accordance with Section XIII of this WD-14.

(1) Preparation of letter to Treasurer of the United States.

Where the letter from the Treasurer, U. S. shows that the check has not been paid, prepare a reply, in the form of a letter such as that outlined below, in quadruplicate on stationery bearing the Office of Budget and Finance letterhead. No date or signature will be entered; but the Certifying Officer must initial the original and first two copies beneath the words "Director of Finance" and the name and address of the Certifying Officer must be typed in the lower margin of the first copy. Enter the appropriate information in the blank spaces.

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF BUDGET AND FINANCE
Washington, D. C.

Treasurer of the United States,

Accounting Division.

Dear Sir:

Re: _____

In reply to your letter of _____, wherein you advise that payment of check numbered _____ dated _____, in the amount of \$ _____, drawn by G. F. Allen, symbol _____, payee _____ was declined on account of an alleged forged endorsement of the payee's name, you are advised as follows:

An examination of the records relative to the _____ application for payment No. _____, executed by _____ discloses the fact that an overpayment exists in the account of this payee. It is requested that the above described check be transmitted to the General Accounting Office in order that proper settlement may be made. An administrative report, relative to the account of this payee, has been prepared by this office and is being transmitted to the General Accounting Office.

Very truly yours,

Director of Finance.

(2) Preparation of AD-42.

Prepare AD-42 in quintuplicate. Following "account of" enter the name and present address of the payee. Enter the amount

of the check as the amount claimed, the amount of the overpayment after "Differences explained below," and the correct amount due the payee following "approved for." Delete "Chargeable" and enter the symbol and title of the appropriation (including the farm payment limitation) against which the check was drawn. The statement beginning "According to the records of the _____ State Office, Western Division, AAA" must show that, as the result of an error on the application for payment No. _____ filed in connection with the _____ program (or an error on the computation sheet on which application No. _____ filed in connection with the _____ program was scheduled for payment), check No. _____, dated _____ issued under D. O. voucher No. _____ to the above named payee is \$ _____ in excess of the amount due and, therefore, the Treasurer of the United States is being requested to transmit the check to the General Accounting Office. (The complete State and county code and serial number of the application and the name of the program in connection with which the check was issued must be shown in the blank spaces.) The certifying officer must initial the original and first two copies of AD-42, and the name and address of the certifying officer must be entered in the lower margin of the first copy. AD-42 will be dated and signed by the Director of Finance.

(3) Distribution of AD-42 and letter to Treasurer.

The letter from the Treasurer of the United States, a copy of the letter addressed to the Treasurer of the United States, and a copy of AD-42 shall be filed with the copy of the application involved. The original and two copies of the letter to the Treasurer of the United States, a copy of the letter from the Treasurer of the United States, and the original and three copies of AD-42 will shall be forwarded to the Western Division. One copy of AD-42 will be returned to the State Office at the time the case is referred to the Claims Division of the General Accounting Office. When settlement has been made, the State Office will receive two copies of AAA-367, one of which will be sent to the State accountant and the other to the county office.

(4) Preparation and distribution of ACP-28.

If the overpayment represented by the forged check was made in connection with a program with respect to which a deduction was made for association expenses, the adjustment clerk shall, immediately upon receipt of AAA-367, prepare and distribute ACP-28 as follows:

(a) Prepare an original and 2 copies.

(b) In the spaces provided, enter the applicant's name, the payee's name, the State and county code and serial number of the application in connection with which the check was

issued (also the form number of such application), the D. O. voucher number, and the date such voucher was paid.

- (c) Beneath "Action Taken" enter a brief statement showing that it was alleged that the check described above had been forged, that the amount of such check was in excess of the amount due and, therefore, the case was referred to the General Accounting Office in Washington, D. C., under date of _____ (entering the date on which AD-42 was signed by the Office of Budget and Finance) for settlement. Also include the fact that the State Office is in receipt of AAA-367, Certificate No. _____, Claim No. _____ (both numbers appear on the form) showing that settlement has been made by the General Accounting Office.

- (d) Beneath the above statement, enter the following notation with appropriate information in the blank spaces:

Adjust _____ administrative expense account:

Administrative expense previously charged.....	\$ _____
Correct amount of _____ administrative expense..	\$ _____
Decrease deduction.....	\$ _____

- (e) The adjustment clerk shall initial all three copies.

- (f) The original ACP-28 shall be forwarded to the Control Accounts and Reports Section, AAA, Washington, D. C., one copy shall be given to the State accountant, and the remaining copy shall be filed with the copy of the application for payment involved.

2. Alleged forged check paid by Treasury and amount recovered from endorsers.

- a. Payee entitled to the full amount of the check.

Where the letter from the Treasurer of the United States shows that the forged check was paid and the amount thereof recovered from the endorsers, the adjustment clerk shall, if the payee is entitled to the full amount of the check, follow the procedure in subparagraph 1, a, above, except that the first paragraph of the reply to the Treasurer shall read as follows with the appropriate information entered in the blank spaces:

"In reply to your letter of _____ relative to check No. _____, dated _____ for \$ _____ drawn by G. F. Allen, symbol _____, payee _____, the amount of which has been recovered through the endorsers because of the forged endorsement of the payee's name, you are advised as follows:"

- b. Payee not entitled to amount of check because it represents an overpayment.

(1) Preparation of reply to Treasurer, U. S.

Where the letter from the Treasurer of the United States shows that the forged check was paid and the amount recovered and the adjustment clerk finds that the payee is not entitled to the full amount of the check because it represents an overpayment, he shall prepare a reply, in the form of a letter such as that outlined below, in quadruplicate on stationery bearing the Office of Budget and Finance letterhead. No date or signature will be entered; but the Certifying Officer must initial the original and first two copies beneath the words "Director of Finance" and the name and address of the Certifying Officer must be typed in the lower margin of the first copy. Enter the appropriate information in the blank spaces.

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF BUDGET AND FINANCE
Washington, D. C.

Treasurer of the United States,

Accounting Division

Dear Sir:

Re: _____

In reply to your letter of _____, relative to check No. _____, dated _____ for \$ _____, drawn by G. F. Allen, symbol _____, payee _____ the amount of which has been recovered through the endorsers because of the forged endorsement of the payee's name, you are advised as follows:

An examination of the records relative to the _____ application No. _____ executed by this payee discloses the fact that an overpayment exists in the account of this payee. It is requested, therefore, that the amount of the overpayment, \$ _____, be credited to appropriation _____ and that the balance of \$ _____ be forwarded to _____ provided such person has not received the proceeds of the original check.

Very truly yours,

Director of Finance.

(2) Distribution of letters.

The foregoing letter to the Treasurer and the copies of the letter from the Treasurer of the United States shall be distributed in accordance with subparagraph 1, a, above. When settlement has been made, the Office of Budget and Finance will

notify the Western Division who will, in turn, forward the notification to the State Office. After the adjustment clerk has made the necessary notations in his records, the notification will be given to the State accountant.

(3) Preparation and distribution of ACP-28.

If the overpayment represented by the forged check was made in connection with an application with respect to which an amount was deducted for association expenses, the adjustment clerk shall, upon receipt of the notice of settlement, prepare and distribute ACP-28 in accordance with subparagraph 1, b, (4) of this paragraph C.

VI. REFUNDS RECEIVED IN THE STATE OFFICE.

A. General.

From time to time the State Office will receive remittances such as the following:

1. Checks, money orders, etc., from persons who have been overpaid under programs administered through the State Office.
2. Checks from the Commodity Credit Corporation, Farm Credit Administration or other agency in whose favor an erroneous set-off has been made.

Each remittance shall be forwarded to the adjustment clerk for immediate handling.

B. Examination of Remittance.

1. The adjustment clerk shall first determine whether the remittance is negotiable.
 - a. The remittance must be properly dated.
 - b. The written amount on a check must agree with the amount shown in figures thereon.
 - c. The remittance must be drawn payable to the "Treasurer of the United States" or in a manner which permits proper endorsement to that official (refer to paragraph D below).
 - d. A check must be signed.
2. If it is determined that a remittance is not in negotiable form it must be returned to the remitter through the proper county committee, accompanied by a letter of explanation and a request for a new remittance.

C. Determination of Fund to be Credited.

1. The adjustment clerk shall determine, from the letter of explanation accompanying the refund and from the records of the case in the State Office, whether the amount of the refund received is due. If it is determined that the refund is due and that the amount is not in excess of the amount of overpayment, the refund shall be credited to the appropriation from which the overpayment was made.
2. The remittance shall be credited to a special deposit account if the amount is in excess of the amount due or where the adjustment clerk cannot readily determine the appropriation to be credited.

The special deposit account is for use only as a temporary disposition of a remittance. Amounts deposited in this account should be withdrawn just as soon as the proper disposition of such amounts can be determined. Accordingly, the adjustment clerk shall at the time he schedules an amount for the special deposit account, take whatever action is necessary to determine the proper ultimate disposition of the remittance.

If further information is needed from the county, a letter requesting such information should be prepared and forwarded immediately.

D. Endorsements.

Remittances drawn payable to the "Treasurer of the United States" must be endorsed for purposes of identification by means of a rubber stamp reading as follows:

"Pay to the Order of
The Treasurer of the United States
Division of Disbursement, Treasury Department
Western Division, AAA, U. S. Dept. of Agriculture,

"

(Location)

A remittance drawn payable to "Western Division" or to "Agricultural Adjustment Administration" or to "Department of Agriculture" or in a similar impersonal manner may (if otherwise negotiable) be accepted and endorsed by rubber stamp in the manner indicated above. Checks drawn payable to some person other than the "Treasurer of the United States" must be returned to the remitter, through the proper county committee, with a letter requesting that a new check be submitted, drawn payable to the Treasurer of the United States.

E. Receipt Number.

Acceptable remittances must be numbered consecutively, beginning with number 1. The receipt number assigned should be entered in the lower left-hand corner on checks, drafts, money orders, etc.

F. Preparation of Form ACP-28 and ACP-28A.

For each negotiable remittance the adjustment clerk shall prepare form ACP-28 in quintuplicate: (original and 3 copies of ACP-28 and one copy of ACP-28A) as follows:

1. On the lines provided enter the name and address of the remitter (the applicant, assignee, or other person who is making the refund); name of applicant; nature, date, amount and number of remittance, and name of payee.
2. Enter the receipt number (assigned in accordance with paragraph E above).
3. In the event that the remittance is to be credited to an appropriation because the producer was overpaid under an application, enter the State and county code and serial number of the application for payment involved. Above "State and county code No." enter the form number of the application for payment.
4. Date and initial Form ACP-28A. This form shall then be signed by the officer in charge and mailed to the remitter as a receipt.
5. If the remittance is due because an overpayment was made under an application, enter on Form ACP-28 the D. O. Voucher No. under which the application for payment was scheduled and the date such voucher was paid.
6. Under "Action Taken" enter the facts pertinent to the case, i.e., the reason for the refund and the appropriation to be credited.
7. The adjustment clerk will initial form ACP-28 on the line following "By" and will enter the date on which ACP-28A was mailed.

G. Preparation of Form 1044, "Schedule of Collections."

1. Checks, money orders, etc., must be scheduled for deposit on form 1044. Remittances credited to the special deposit account must not be scheduled on the same form 1044 with remittances credited to other accounts or appropriations.
2. Where various types of remittances are listed on one form 1044, i.e., money orders, cashier's checks, certified checks, etc., separate sub-totals must be entered on form 1044 for each type. When listing remittances, complete the entries for one type, space 4 lines, enter the second type, etc. Remittances which are to be credited to two or more appropriations may be scheduled on one form 1044, if a subtotal of the amounts being credited to each appropriation is shown.

3. Prepare an original and 8 copies of form 1044 as follows:

- a. Enter the necessary information in the heading of the form in the usual manner.

The D. O. Symbol No. shall be the collection number furnished by the RDO.

Beginning with each fiscal year, a new series of schedule numbers should be assigned. The schedule number of each form 1044 should contain either the letter R or S, the fiscal year, and the number which the particular form 1044 is of the series. The letter S shall be used if the remittance is being deposited to the special deposit account, and the letter R shall be used if the remittance is being deposited to an appropriation. For example, forms 1044 on which remittances are scheduled during the 1941 fiscal year for deposit to an appropriation should be numbered R-41-1, R-41-2, etc.; and forms 1044 on which remittances are scheduled during the 1941 fiscal year for the special deposit account should be numbered S-41-1, S-41-2, etc. At the beginning of the next fiscal year a new series beginning with R-42-1 and S-42-1 should be used.

- b. Enter in the first column the date the remittance was received.
- c. Enter in the second column the receipt number assigned. (Refer to paragraph E above.)
- d. Enter in the third column the name of the person making the refund, or the person whose account is to be credited with the refund if the remitter is returning the money for another person. Also enter the type of remittance (postal money order, cashier's check, etc.), the number and date thereof, and name of the payee.
- e. Enter in the fourth column a detailed description of the purpose of the collection, and if the remittance is to be credited to an appropriation, enter the D. O. Voucher Number of the original payment on account of which the refund is due, the date such voucher was paid (which date will appear in the upper right-hand corner of the schedule of disbursements on which the payment was scheduled) and the number of the check.
- (1) If the remittance is to be applied against a payment for which the State Office has received a GAO form 2084, indicating that the General Accounting Office has taken an exception to the payment, also enter the notation "GAO disallowance."
- f. In the fifth column enter the amount of the remittance. Enter the subtotal for each type of refund (money order, cashier's check, etc.) in the fifth column immediately below the last entry for such type (refer to paragraph 2 above). Also enter the subtotal for each appropriation if remittances are being credited to more than one appropriation.

- g. If a remittance is to be credited to an appropriation, the symbol and title of such appropriation (including the farm payment limitation) shall be entered in the last column of form 1044.

Where a remittance is to be credited to special deposits, enter in the last column of form 1044 the words "Special Deposits" followed by "03.37--66.2-195 Suspense AAA Conservation Program" and the D. O. collection symbol number (furnished by the RDO).

- h. Enter the total of all remittances in the space provided therefor in the fifth column.
- i. Following the word "Forwarded" in the lower right-hand corner enter the date on which the form is forwarded to the RDO.
- j. Enter the certifying officer's title on the line provided.
- k. In a conspicuous place on the third copy, stamp the notation "Forward to Control Accounts and Reports Section, Agricultural Adjustment Administration, Washington, D. C."
- l. The Certifying Officer shall sign the original form 1044. His facsimile signature should be stamped on all copies.

H. Distribution of Forms 1044 and ACP-28.

Forms 1044 and ACP-28 shall be distributed as follows:

1. The original and 3 copies of form 1044, including the copy marked for the Control Accounts and Reports Section, AAA, together with the remittances listed thereon shall be transmitted to the RDO.
2. One copy of form 1044 shall be transmitted to the Bookkeeping and Warrants Section, Treasury Department, Washington, D. C.
3. One copy of form 1044, the original of form ACP-28 representing each remittance and the original letter of explanation from the field shall be transmitted to the Accounting and Bookkeeping Division, General Accounting Office, Washington, D. C.
4. One copy of form 1044 shall be transmitted to the State accountant.
5. The two remaining copies of form 1044 and the three copies of ACP-28 will be held in a pending file awaiting return of the receipted copy from the RDO.
6. The RDO, after taking necessary action, will return to the State Office one copy of form 1044 showing the proper information in the lower left-hand corner of the form. In addition, a copy of Certificate of Deposit Form 1 will be transmitted to the State Office. The adjustment clerk shall enter on the pending file copies of form 1044 and ACP-28 the information shown in the lower left-hand corner of the copy returned by the RDO.

- a. If the remittances scheduled on form 1044 were credited to an appropriation from which the producer was overpaid --

(1) Complete ACP-28 as follows:

Where the producer received an overpayment in connection with a conservation, range, sugar or other application on which a deduction was made for association expenses enter on all three copies of the ACP-28 prepared upon receipt of such producer's remittance a notation showing the amount deducted for administrative expense on the original application, the correct amount of administrative expense and amount by which the previous deduction is to be decreased. Detailed procedure for determining the association expense account adjustment is outlined in section II of WD-7. The procedure for computing this adjustment is the same irrespective of whether recovery of the overpayment is effected by set-off or refund.

(2) Distribute the remaining copies of form 1044 and ACP-28 as follows:

If entries regarding an adjustment in the administrative expense account have been made on ACP-28 in accordance with paragraph (1) above, transmit the copy of form 1044 returned by the RDO, one copy of ACP-28, and the Certificate of Deposit Form 1 to the accountant. File one copy of form 1044 in the form 1044 file and forward one copy to the Office of Budget and Finance, Department of Agriculture, Washington, D. C., This latter copy should be transmitted with a cover letter on which the form number, schedule number, and total amount of the schedule are shown. (Any other forms being sent to the Office of Budget and Finance the same day may be listed on and mailed with the same cover letter.) An extra copy of the letter should be held in the State Office until the end of the month at which time it should be sent, together with all others prepared during the month, to the Control Accounts and Reports Section, AAA, Washington, D. C. This will enable the Control Accounts and Reports Section to determine whether they have received all of the necessary forms from the RDO.

Also forward one copy of ACP-28 to the Control Accounts and Reports Section, Agricultural Adjustment Administration, Washington, D. C., and file the remaining copy and the copy of the memorandum from the county with the copy of the application for payment in connection with which the producer was overpaid.

If no adjustment is to be made in the administrative expense account, copies of the ACP-28 will not be sent to the accountant and the Control Accounts and Reports Section. One copy of ACP-28 and the copy of the memorandum of explanation from the

county shall be filed with the application involved. The other 2 copies of ACP-28 may be disposed of.

b. If the remittances scheduled on form 1044 were credited to the Special Deposit account--

(1) Distribute the remaining copies of form 1044 and ACP-28 as follows:

The copy of form 1044 returned by the RDO and the Certificate of Deposit Form 1 shall be transmitted to the accountant. Copies of Forms ACP-28 will not be transmitted. One copy of form 1044 shall be transmitted to the Office of Budget and Finance, Department of Agriculture, Washington, D. C. One copy of form 1044, and three copies of each ACP-28, and the copy of the memorandum from the county shall be filed by the adjustment clerk. For final disposition of the copies of ACP-28 refer to Sections XIII and XIV of this procedure.

I. Changes in Register of Indebtedness.

As soon as an accomplished copy of form 1044 is received, the adjustment clerk shall make the proper changes in the Register of Indebtedness. Any amount removed from the register is, of course, subject to reinstatement if the remittance is returned by RDO as uncollectible.

VII. REFUNDS SENT DIRECT TO REGIONAL DISBURSING OFFICE

A. Schedule of Collections Prepared by RDO.

Where the county committee or an applicant sends a refund to the RDO instead of to the State Office, the Disbursing Officer will prepare form 1044 and credit the refund to their special deposit account (number 03.37). A copy of form 1044 showing that the form was prepared in the RDO will be transmitted to the State Office.

B. Handling of form 1044 by State Office.

Upon receipt of form 1044 which was prepared in the RDO the adjustment clerk shall prepare two additional copies. (Inasmuch as the Regional Disbursing Office will furnish the Control Accounts and Reports Section with a copy of form 1044, it is not necessary for the State Office to forward a copy to that Section.) In addition to the information appearing on the form received from the RDO, the adjustment clerk will enter in the last column the Department special deposit number "66.2-195 Suspense, AAA, Conservation Program."

1. One copy shall be transmitted immediately to the Office of Budget and Finance, Department of Agriculture, Washington, D. C. This copy should be transmitted with a cover letter on which the form number,

schedule number and the total amount of the schedule are shown. (Any other forms being sent to the Office of Budget and Finance the same day may be listed on and mailed with the same cover letter.) An extra copy of the letter should be held in the State Office until the end of the month at which time it should be sent, together with all others prepared during the month, to the Control Accounts and Reports Section, AAA, Washington, D.C.

This will enable the Control Accounts and Reports Section to determine whether they have received all of the necessary forms from the RDO.

2. One copy shall be filed with the three copies of ACP-28, prepared in accordance with paragraph C below, pending determination of the proper disposition of the refund.
3. The copy received from the Disbursing Officer shall be transmitted to the accountant.

C. Preparation of ACP-28.

The adjustment clerk shall also prepare three copies of form ACP-28 (none on ACP-28A) for each remittances scheduled by the RDO, on form 1044. Insofar as possible the entries on ACP-28 shall be made in accordance with the instructions set forth in Section VI, paragraph F of this procedure. Entries which cannot be made at the time form 1044 is received should be made when the proper disposition of the remittance has been determined and the amount withdrawn from special deposits. All three copies shall be filed pending determination of proper disposition of the remittance.

D. Changes in Register of Indebtedness.

If the name of the person making the refund is listed on the Register of Indebtedness, the adjustment clerk shall make the proper changes thereon. Any amount removed from the register is, of course, subject to reinstatement if the RDO notifies the State Office that the remittance is uncollectible.

VIII. UNCOLLECTIBLE CHECKS.

A. Form 1044 used as a Schedule of Uncollectible Checks.

If a check which has been transmitted to the RDO is not collectible, the Disbursing Office will prepare form 1044 with the title changed to read "Schedule of Uncollectible Checks." The RDO will forward a copy of the form 1044 to the Control Accounts and Reports Section, AAA, Washington, D. C., and will transmit the check and two copies of the form 1044 to the State Office. One copy shall be signed and returned to RDO as a receipt, and the other will be distributed in accordance with paragraph C below. Immediately, the adjustment clerk shall correct the file copies of the form 1044 on which the uncollectible check was originally scheduled for deposit, and shall prepare ACP-24 in accordance with paragraph B below.

B. Preparation of ACP-24, "Debit Voucher for Uncollectible Check Returned."

Immediately upon receipt of a schedule of uncollectible checks, the adjustment clerk shall prepare ACP-24, listing thereon data regarding all uncollectible checks which were scheduled for collection on one form 1044. (Where more than two checks were uncollectible, enter the additional data on the back of ACP-24 or use another sheet.) ACP-24 shall be prepared in quadruplicate as follows:

1. Enter the number and date in the upper right-hand corner.

Beginning with each fiscal year, a new series of numbers should be used. The number should include the fiscal year and the proper figure showing the number which the form being prepared is of the series; i.e., 41-1, 41-2, 42-1, etc.

2. After the word "To" -

- a. On the original enter "Accountant."

- b. On the first and third copies enter "Office of Budget and Finance, Department of Agriculture, Washington, D. C."

- c. On the second copy enter "Accountant" and "Office of Budget and Finance," in order that the file copy will contain a record of those persons to whom the original and two copies were addressed.

3. After the word "From" enter the name of the State.

4. After the words "State Office" enter "Western."

5. Enter the data for the check/s in the spaces provided.

6. After "Schedule No." enter the schedule number of form 1044 on which the check/s were originally scheduled, and after "Dated" enter the date of such schedule.

7. After the word "Symbol" enter the appropriation to which the uncollectible check/s were credited, and after the word "Amount" on the same line enter the amount of the uncollectible check/s which were credited to such appropriation.

8. After the word "from" enter the total amount originally scheduled on the form 1044 and after "to" enter the result determined by subtracting the sum of the uncollectible checks from the total amount originally scheduled on form 1044.

9. Immediately below the printed paragraph enter a statement to the effect that an attempt is being made to secure a proper remittance, or that no such attempt is being made because the amount of the uncollectible check does not represent a debt due the Government.

C. Distribution of ACP-24.

1. The original, together with the form 1044 received from the Disbursing Officer, shall be forwarded to the accountant.
2. The first copy shall be signed by the Certifying Officer and forwarded immediately to the Office of Budget and Finance. The third copy shall be held until a new remittance is received and deposited in accordance with paragraph E below. Upon receipt of an accomplished copy of form 1044 or 1096, enter on the third copy of ACP-24 a notation that a substitute check was received (or a set-off made) and "Scheduled for deposit on Form _____ schedule No. _____ Certificate of deposit number _____, dated _____" showing the appropriate information in the blank spaces. The third copy of ACP-24 shall then be forwarded to the Office of Budget and Finance without delay.
3. The adjustment clerk will file the second copy.

D. Disposition of uncollectible check and recording of debt on register.

The uncollectible check shall be returned to the proper county committee with a letter explaining the reason for its return and requesting the committee to deliver the check to the applicant. The committee should be instructed to obtain a new check from the applicant and transmit with such new check a statement showing that it is a substitute for the uncollectible check. The overpayment, which the uncollectible check was intended to liquidate, shall again be entered on the register of indebtedness.

E. New remittance.

Upon receipt of a new check as a substitute for the uncollectible check, the adjustment clerk shall schedule such new check on form 1044 in accordance with paragraph G of section VI, but enter on the form a notation to the effect that the new check represents the recovery of the amount of the uncollectible check previously scheduled for collection on form 1044 Schedule No. _____.

If reimbursement for the uncollectible check is secured by set-off, the notation referred to above shall be entered on form 1096.

IX. SUMMARY OF REMITTANCES.

At the close of each month the RDO will prepare Standard Form 1045, Summary of Collections, in septuplicate and will transmit the original and four copies to the State Office, and one copy to the Control Accounts and Reports Section.

The adjustment clerk shall check the totals shown on form 1045 to determine that the amounts credited thereon agree with the totals of the amounts shown on the file copies of the forms 1044 for the corresponding month. The original and two copies of form 1045 shall then be forwarded to the accountant who will determine that his records are also in agreement with the entries on the Summary of Collections. The accountant will sign and enter the date of

his signature on the original and first copy and return them to the adjustment clerk. He will retain the second copy. The adjustment clerk shall return the original and first copy of form 1045 to the RDO, file one copy, and send one copy to the Office of Budget and Finance, Department of Agriculture, Washington, D. C. This copy should be transmitted with a cover letter on which the form number, schedule number and the total amount of the schedule are shown. (Any other forms being sent to the Office of Budget and Finance the same day may be listed on and mailed with the same cover letter.) An extra copy of the letter should be held in the State Office until the end of the month at which time it should be sent, together with all others prepared during the month, to the Control Accounts and Reports Section, AAA, Washington, D. C.

X. TRANSFER FROM SPECIAL DEPOSIT TO AN APPROPRIATION.

When it has been determined that the entire amount of a remittance deposited in the special deposit account is due and should be credited to an appropriation, the adjustment clerk shall proceed as follows:

A. Preparation of Standard Form 1046, "Schedule of Transfers - Special Deposits."

Prepare an original and 8 copies of form 1046 as follows:

1. Enter the required information in the heading of the form in the regular manner.
 - a. Beginning with each fiscal year, a new series of schedule numbers should be assigned. The schedule number of each form 1046 should contain the fiscal year and the proper figure showing the number which the 1046 is of the series. For example, forms 1046 on which amounts are transferred out of the special deposit account during the fiscal year 1941 should be numbered 41-1, 41-2, 41-3, etc.
2. Enter in the first four columns the same data as shown in the corresponding columns of the form 1044, on which such refund was scheduled for special deposit.
 - a. Also enter in the fourth column the symbol and title of the special deposit account from which the amount is being transferred. This information is needed by all persons who must post the charge against the special deposit account.
 - b. If the amount being transferred from the special deposit account also appears on the register of indebtedness and it is indicated that GAO disallowed the payment in connection with which the refund became due, or if "GAO disallowance" appears on the form 1044 on which the amount was deposited to the special deposit account, enter the notation "GAO disallowance" in the fourth column of form 1046.
3. Enter the amount of the refund in the fifth column.
4. Enter the symbol and title of the appropriate appropriation (including the farm payment limitation) in the last column.

5. In the space provided for the total of the fifth column, enter the sum of the items in such column.
6. In a conspicuous place on the third copy, stamp the notation "Forward to Control Accounts and Reports Section, Agricultural Adjustment Administration, Washington, D. C."
7. Enter the title of the certifying officer on the line provided.
8. The certifying officer must sign the original form. His facsimile signature should be stamped on all copies.

B. Completion of ACP-28.

If the remittance is due because the producer was overpaid under an application for payment, enter the form number of such application in the space above "State and County Code No." and enter the State and county code and serial number of the application on the lines provided. Also enter the D. O. voucher number and the date such voucher was paid. In a conspicuous place beneath "Action Taken" enter the reason for the refund and the symbol and title of the appropriation credited on form 1046. If the remittance represents an amount due because of an overpayment under an agricultural or range conservation, sugar, or any other program with respect to which a deduction for administrative expenses was made on the application, the ACP-28 must contain information regarding the adjustment to be made in the administrative expense account. This adjustment should be determined and expressed on ACP-28 in accordance with section I, paragraph H, 6, a. The adjustment clerk shall forward the other copy of ACP-28, showing the administrative expense account adjustment, to the Control Accounts and Reports Section, Agricultural Adjustment Administration, Washington, D. C.

C. Distribution of Forms 1046, 1044 and ACP-28.

Distribute form 1046 in the same manner in which form 1044 is distributed (Refer to section VI, paragraph H, 6, a, (2) above.) The certificate of deposit number shown on the copy returned by RDO shall be entered on ACP-28.

If an adjustment in the administrative expense account has been made in accordance with paragraph B above, one copy of ACP-28 must be forwarded to the accountant with the receipted copy of form 1046; one copy of ACP-28 shall be sent to the Control Accounts and Reports Section, AAA, Washington, D. C.; and the remaining copy of ACP-28 and the copy of the memorandum of explanation from the county shall be filed with the copy of the application for payment in connection with which the producer was overpaid.

If no adjustment is to be made in the administrative expense account, copies of ACP-28 need not be sent to the accountant and the Control Accounts and Reports Section. One copy of ACP-28 and the copy of the memorandum of explanation from the county shall be filed with the application involved. The other 2 copies of ACP-28 may be disposed of.

Enter on the copy of form 1044 on which the remittance was scheduled for the special deposit account a reference to the form 1046 on which the amount was withdrawn, and file the form 1044 in the form 1044 file. (The file copy of form 1046 may be attached to and filed with form 1044 if desirable.)

XI. TRANSFER FROM SPECIAL DEPOSIT PARTLY TO AN APPROPRIATION AND BALANCE TO PAYEE, OR TRANSFER OF THE ENTIRE REFUND FROM SPECIAL DEPOSIT TO THE PAYEE.

When it has been determined that only a part of the amount refunded and deposited in the special deposit account is due an appropriation and that the balance of such amount should be returned to the producer, the adjustment clerk shall prepare and distribute forms 1046, 1047, 1048, and 1064 in the following manner: This procedure is also applicable where all of the amount refunded is to be returned to the payee except that form 1046 will not be prepared.

A. Preparation of form 1046, "Schedule of Transfers - Special Deposits."

Prepare form 1046 in accordance with Section X, A, but do not enter in the fifth column the entire amount of the remittance deposited in the special deposit account. Instead, enter the amount which is due the appropriation. The schedule number shall be the next in order in the series started under Section X.

B. Preparation of forms 1047 and 1048.

Prepare form 1047 and 2 copies thereof on form 1048 as follows:

1. The serial number in the upper right-hand corner is equivalent to the schedule number of other forms.
 - a. Beginning with each fiscal year, a new series of serial numbers should be assigned. The serial number should contain the fiscal year and the number which the form being prepared is of the series.
2. On the first line enter "Agriculture, Agricultural Adjustment Administration, Western Division" and on the second line enter the city and State in which the State Office is located.
3. After the words "Appropriation or Fund" enter "Special Deposit" and the number thereof.
4. After the word "To" enter the name of the payee to whom the check is to be drawn.
5. After the word "Address" enter "in care of" followed by the name and address of the treasurer of the county association to whom checks are sent for delivery to the payees.
6. After the word "on" enter "Schedule of Collection No." and the schedule number of the form 1044 on which the remittance was scheduled for special deposit and the date on which the deposit was made.

7. After the word "for" enter the information shown in the fourth column of the form 1044.
8. On the line "Amount of Deposit" enter the amount refunded by the payee and scheduled on the form 1044.
9. On the line "Applied . . ." enter the amount owed by the payee and listed for transfer to the proper appropriation on form 1046.
10. On the line "Balance . . ." enter the balance which is to be returned to the payee.
11. Under "Remarks" enter a detailed explanation of the reason for returning a part of the refund to the payee.
12. Enter the date on which the form is prepared and the title of the certifying officer who must sign the original.

C. Preparation of form 1064, "Schedule of Disbursements."

The amount to be returned to the payee must be scheduled on form 1064, which shall be prepared in sextuple as follows:

1. Fill in the heading of the form as indicated.
 - a. Beginning with each fiscal year, a new series of bureau schedule numbers should be assigned. This number on each form should show the fiscal year and the number which the form being prepared is of the series.
2. Enter the serial number of form 1047 in the column entitled "Bureau or Office Voucher No."
3. Enter the name of the payee in the column entitled "Payee."
4. Enter "Special Deposit" and the number of the special deposit account in the column entitled "Symbol of Appropriation or Fund."
5. Enter the amount to be returned to the payee, as indicated on form 1047, in the column entitled "Amount."
6. In a conspicuous place on the third copy stamp the notation "Forward to Control Accounts and Reports Section, Agricultural Adjustment Administration, Washington, D. C."
7. Enter the title of the certifying officer on the line provided.
8. The certifying officer must sign the original. His facsimile signature should be entered on all copies.

D. Distribution of forms.

The forms 1044, 1046, 1047, 1048, and 1064 shall be distributed as follows:

1. Form 1044, 1046 and ACP-28.

Form 1044, form 1046 and three copies of each form ACP-28 representing a renittance scheduled thereon, shall be distributed in the manner outlined in section X, paragraph C.

2. Forms 1047-1048.

a. Form 1047 and one copy of form 1048 shall be forwarded to the RDO. The RDO will retain the form 1047 and will forward the form 1048 to the treasurer of the proper county association with the check in order that the county office and the payee may know the purpose of the check.

b. The remaining form 1048 will be retained by the adjustment clerk (see paragraph 3, d, below).

3. Form 1064.

a. Forward the original and 3 copies (including the copy marked for the Control Accounts and Reports Section, AAA) to the RDO. One copy will be returned to the State Office after appropriate action has been taken.

b. Transmit one copy to the accountant.

c. The remaining copy will be retained by the adjustment clerk until the copy is returned by the RDO.

d. After the receipt of the copy from the RDO the adjustment clerk shall make the necessary notation on the pending file copy. The copy returned by the RDO, together with form 1048 shall be transmitted to the accountant. The remaining copy of 1064 shall be filed by the adjustment clerk.

XII. ADJUSTMENT CASES -- PAYMENT UNDER ORIGINAL APPLICATION LESS THAN AMOUNT DUE.

Adjustment cases are those resulting from erroneously executed or computed original applications which have been certified by the State Office, approved by Preaudit, and paid by RDO. Sections XII, XIII, and XIV all contain procedure for the handling of adjustment cases, but each section deals with a different type of case.

The adjustment clerk shall follow the procedure in this Section XII in each case where (1) the original application is filed by only one applicant and the payment made is less than the amount due, or (2) the original application is filed by two or more persons and the payment made to at least one of such persons is less than the amount due and none of such persons was overpaid.

A. Error in basic data on original application.

1. Adjustment application and statement.

Any applicant, who wishes to secure an additional payment due because of the fact that his original application was executed in error, must file an adjustment application and a written statement (in duplicate) explaining how the error occurred and requesting that the additional amount due be paid (the actual amount need not be shown). Both the adjustment application and the statement must be signed by the applicant who is asking for the additional amount and approved by a county committeeman. Where all or part of the additional payments due an applicant will actually be paid to such applicant's assignee, the adjustment application and statement must be signed by the applicant. The assignee's signature is not required.

If the original application was filed in connection with the range, price adjustment, or other program with respect to which the application for payment is signed by all persons interested in the farm or ranch, only the person/s to whom an additional amount is due need sign the adjustment application. The signature of any person, whose payment is not affected, is desirable but not necessary.

Where the farm payment is computed on a computation sheet (WR-310, etc.) an adjustment computation sheet must also be filed.

2. Examination and computation of payment on computation sheet, where applicable.

Where a computation sheet is used in connection with the program, determine that each erroneous entry on the original computation sheet has been corrected on the adjustment computation sheet and explained in the statement. All other data on the original and adjustment computation sheets must be the same. The computation sheet number of the adjustment computation sheet must be the same as that of the original followed by "Adj." The adjustment clerk shall determine the payment due each person interested in the farm and shall return the copy to the county. The Preaudit Office copy of the adjustment computation sheet may be held in the State Office until the adjustment application is forwarded to the Preaudit Office.

3. Examination of adjustment application.

Upon receipt of the adjustment application and statement, the adjustment clerk shall check the adjustment application against the copy of the original on file in the State Office. The serial number of the adjustment application must be the same as that of the original followed by "Adj." Each entry on the original application which, according to the statement of explanation, is in error must have been corrected on the adjustment application. All other entries on the adjustment application, including the amount/s assigned, and

any amount set off, must agree with those on the original. If the error on the original application has not been completely or satisfactorily explained, the adjustment clerk shall conduct sufficient correspondence with the county to secure the needed information. Where the error was made by the county office, this fact must be included in the statement signed by the county committeeman. Where a computation sheet is used in connection with the program, all basic data on the adjustment application must be the same as that on the adjustment computation sheet.

If an applicant, who filed an original multiple-farm application including a deduction farm, thereafter files an adjustment application on which data regarding the deduction farm are omitted, such applicant must also submit evidence showing that the original was actually in error. Such evidence must show that the applicant did not share in any of the crops or practices on the deduction farm. The type of evidence needed will vary with each case, and each case shall be decided on its individual merits. For example, if the original application or other records on file at the time the original was filed showed that the applicant was the owner of the deduction farm, the applicant may submit a statement from the office of the county clerk showing the name of the owner of record at that time. Then the applicant may also secure a statement from the owner of record to the effect that the applicant had no share in the crops or practices produced during the program year in question on the deduction farm. In the event that the error was made by the county, a complete statement of explanation must be submitted. The supporting statements shall be forwarded along with the adjustment application, to the Preaudit Office.

4. Computation of amount/s due on the basis of the adjustment application.

- a. Applicant, requesting additional payment, not indebted to United States.

After determining that the adjustment application has been properly executed, and the error on the original satisfactorily explained, the adjustment clerk shall compute and enter, in accordance with existing procedure, the payment due each applicant and/or assignee on the basis of the adjustment application. The amount computed on the adjustment application for any person who received a payment under the original application and for any setoff made on the original application shall be encircled. Likewise, the amount due an applicant or such applicant's assignee shall be encircled if such applicant failed to sign the adjustment application and statement requesting the additional amount.

Immediately below the encircled entry representing the amount due an applicant or assignee who received a payment under the original application in an amount less than that computed on the

adjustment application, enter (if the applicant signed the adjustment application) the amount paid to such person under the original application. Identify such amount by the notation "Less payment to _____ under original application, check No. _____, dated _____, D. O. voucher No. _____, paid under date of _____" entering the name of the applicant or assignee and other appropriate information in the blank spaces. Where the name of an assignee is entered in the first blank, also enter the word "assignee." Subtract the amount paid under the original application from the encircled payment computed on the adjustment application and enter the result below. This result is the additional payment due the applicant or assignee. For the convenience of the scheduling and voucher unit, the additional payment due the applicant or assignee should also be entered in the space provided on the application (beside the encircled entry made in accordance with the first paragraph of this subparagraph a). The additional payment due an applicant or such applicant's assignee shall not be computed if the applicant failed to sign the adjustment application.

In the event that there is not sufficient space on the application to enter immediately below the encircled payment the amount and identification of the payment under the original application and the additional payment due, these entries may be made conspicuously in another space on the application or on another sheet of paper which shall be attached securely to such application.

b. Applicant, requesting additional payment, indebted to United States.

- (1) If the applicant has not executed an assignment, compute the payment on the adjustment application, identify and deduct the payment made under the original application and determine the additional payment due in accordance with sub-paragraph a above, but do not enter this amount in the space provided on the application for the payment to the applicant. Beneath the amount representing the additional payment, enter, in accordance with WD-7, the amount to be set off. All other forms necessary for the set-off shall be prepared and distributed in accordance with WD-7. The amount remaining for the applicant after the set-off is deducted will be entered in the space provided on the application.
- (2) If the indebted applicant has executed an assignment, compute in accordance with existing procedure all amounts up to and including the "payment less association expenses." Then if the set-off takes priority over the assignment and an additional payment is due the assignee, enter the following statement, with appropriate information in the blank spaces, on a sheet of paper and attach it securely

to the adjustment application:

Payment less association expenses on
adjustment application \$ _____
Payment less association expenses on
original application \$ _____
Additional amount due under adjust-
ment application \$ _____
Set-off for _____ \$ _____

Balance remaining \$ _____

Payment for _____, assignee
(smaller of above balance or \$ _____
assignment less \$ _____ paid to such
assignee under original application,
check No. _____, Dated _____,
D. O. voucher No. _____, paid under
date of _____) \$ _____
Payment for _____, applicant \$ _____

(If the assignee's payment under the original application was less than the amount assigned and remaining unpaid, no payment will have been made to the applicant under such application. Therefore, there is no previous payment to the applicant to identify.)

Where a partial set-off was made on the original application, the amount to be entered on the fourth line of the above statement shall not exceed the balance due the United States. The file copy of the original application, which is transmitted to Preaudit in accordance with paragraph 6 below, will show the amount previously set off.

Where the set-off takes priority over the assignment but the assignee was paid in full under the original application, the following statements, showing the proper information in the blank spaces, shall be prepared and attached to the application. Although the assignee is not entitled to any payment under the adjustment application, the statement must show that he was paid in full under the original application and include the check number, date of the check, the D. O. voucher number of the payment to the assignee and the date such voucher was paid. If the applicant did not receive a payment under the original application, the last parenthetical statement will be omitted.

Payment less association expenses on
adjustment application \$ _____
Payment less association expenses on
original application \$ _____
Additional amount due under adjust-
ment application \$ _____
Set-off for _____ \$ _____
Balance remaining \$ _____
Payment for _____, assignee
(entire amount paid to such assignee
under original application, check No.
_____, dated _____, D. O. voucher No.
_____, paid under date of _____) \$ 0
Payment for _____, applicant ... \$ _____

(\$ _____ paid to _____, applicant under
original application, check No. _____,
dated _____, D. O. voucher No. _____,
paid under date of _____.)

Where the assignment takes priority over the set-off, use one of the above statements (depending upon the circumstances) but enter the payment for the assignee in place of the set-off and enter the set-off beneath the "balance remaining."

Enter the set-off, the payment for the assignee and the payment for the applicant in the spaces provided on the application. All forms necessary for the set-off shall be prepared and distributed in accordance with WD-7.

5. Certification of additional payment/s due.

The additional amount computed and entered on the application for each applicant and assignee shall be scheduled for payment on the appropriate public voucher, continuation sheet, and schedule of disbursements, in accordance with existing procedure. Any amount being set off shall be scheduled in accordance with WD-7.

6. Distribution of forms.

The original of the adjustment application, computation sheet where applicable, applicant's request and county committee's approval, together with any other pertinent information submitted by the applicant and/or county committee, the State Office file copy of the original application (with the D. O. voucher number and the date such application was paid entered thereon), the regular number of copies of the continuation sheet, public voucher, schedule of disbursements, and any forms prepared for the purpose of making a set-off shall be transmitted to Preaudit in the regular manner. The regular number of copies will be kept in the State Office and filed or distributed in accordance with existing procedure.

7. In the event that the U. S. Treasury check issued to the person underpaid in connection with the original application was returned and is in possession of the RDO or GAO, such check may be forwarded to the payee in accordance with the procedure in Section III of this WD-14.

B. Error in State Office.

1. Applicant's statement.

When, as the result of a State Office error (in computation, scheduling, etc.) the payment made to the applicant under his original application is less than the amount due, such applicant must, if he wishes to secure the additional amount, file a written request for it. The request, which may be in letter form, must contain a reference to the program and year with respect to which the additional amount is being requested. It should have been submitted in duplicate, but if it was not, a copy shall be made for the State Office files. It is not necessary that the request be approved by a county committeeman. The amount due need not be shown.

In the event that, as the result of a State Office error, the amount paid to an assignee under an original application is less than the amount due, the request for the additional amount must be signed by the applicant who assigned his payment in favor of the assignee. The assignee himself need not sign the request for the additional amount which is to be paid to him.

2. Preparation of dummy application and/or computation sheet.

Upon receipt of the applicant's request, the adjustment clerk shall prepare a dummy application, entering thereon all basic data which was on the original. The serial number shall be the same as that on the original application followed by "Adj."

Where a computation sheet (WR-410, etc.) is used in connection with the program with respect to which the application was filed, the adjustment clerk shall determine whether the State Office made an error on this sheet also. If so, he shall prepare a dummy computation sheet entering thereon all basic data which appears on the original and computing the correct payment/s earned on the farm. The computation sheet number of the dummy computation sheet shall be the same as that on the original followed by "Adj."

3. Computation of amount/s due on the basis of the dummy application.

After preparing the dummy application the adjustment clerk shall determine and enter the additional amount/s due in accordance with subparagraph A, 4 of this Section XII.

4. Preparation of memorandum of explanation.

The adjustment clerk shall also prepare for the signature of the certifying officer a memorandum addressed to the Preaudit Office which shall contain a complete explanation of the State Office error which is being corrected by the submission of the dummy application.

5. Certification of additional payment/s due.

The additional amount computed and entered on the application for each applicant and assignee shall be scheduled for payment on the appropriate public voucher, continuation sheet, and schedule of disbursements in accordance with procedure provided in connection with the program involved. Any amount being set off shall be scheduled in accordance with WD-7.

6. Distribution of forms.

The original of the dummy application, computation sheet where applicable, applicant's request, memorandum for the Preaudit Office, the State Office file copy of the original application (with the D. O. voucher number and the date such application was paid entered thereon), and the regular number of copies of the continuation sheet, public voucher, schedule of disbursements, and any forms prepared for the purpose of making a set-off shall be transmitted to Preaudit in the regular manner.. The regular number of copies will be kept in the State Office and filed or distributed in accordance with existing procedure.

7. Forwarding of undelivered check to payee.

In the event that the U. S. Treasury check issued to the person underpaid in connection with the original application was returned and is in possession of the RDO or GAO, such check may be forwarded to the payee in accordance with the procedure in section III, of this WD-14.

XIII. ADJUSTMENT CASES -- PAYMENT UNDER ORIGINAL APPLICATION GREATER THAN AMOUNT DUE.

Adjustment cases are those resulting from erroneously executed or computed original applications which have been certified by the State Office, approved by Preaudit, and paid by RDO. Sections XII, XIII, and XIV all contain procedure for the handling of adjustment cases, but each section deals with a different type of case.

The adjustment clerk shall follow the procedure in this section XIII in each case where (1) the original application is filed by only one applicant and the payment issued to such applicant or to his assignee/s, if any, or a set-off under such application is greater than the amount due, no person having been underpaid, or (2) the original application is filed by two or more persons and the payment made to at least one of such persons or his assignee,

if any, is greater than the amount due and one of such persons was underpaid, provided, however, that the check issued under the original application to the persons overpaid has not been covered into the outstanding liabilities account by the General Accounting Office in Washington.

A. Error in basic data on original application.

1. Requests for investigation of error and return of check.

Immediately upon receipt of any information indicating that a producer or his assignee has been overpaid under an application for payment, the adjustment clerk shall prepare a letter addressed to the county committee, outlining the information received in the State Office, the source of such information, the name of each person supposedly overpaid and the alleged error/s on the original application which resulted in the overpayment, and requesting that a complete and thorough investigation be made promptly. The purpose of the county committee's investigation shall be twofold: First, to determine whether the basic data on the original application are actually in error and, if so, to determine how the error occurred; and second, to report the results of the investigation to the State Office.

The letter shall be signed and forwarded to the county without delay.

Wherever it is believed necessary, the State Committee and county committee may ask the Regional Director for permission to secure the services of the State or regional office of the Field Investigation Section, Division of Marketing and Marketing Agreements, AAA, or any other USDA agency which may be designated for investigation purposes.

The adjustment clerk shall also request the county treasurer to return to the RDO the check issued to any person who was overpaid if such check has not been delivered to the payee or, if such check has been delivered, to return (until further notice) any other check which he may receive for such person in connection with any other program.

2. Examination of county committee's report and adjustment application.

The adjustment clerk shall examine the county committee's report as soon as it is received in the State Office. If the report shows that an overpayment was made under the original application, an adjustment application and computation sheet, where applicable, must have been submitted. The adjustment clerk shall check each such form against the State Office copy of the original. The serial number of the adjustment application or computation sheet must be the same as that of the original followed by "Adj." All erroneous data on the original must have been corrected on the adjustment. All other entries on the adjustment computation sheet or application, including the amount/s assigned, must agree with those on the original form. The adjustment application must have been signed by a committeeman. The signature of the overpaid producer, or the producer whose assignee was overpaid,

is desirable but not necessary. Such producer may have executed a statement instead of signing the adjustment application, but even the statement is not required.

The county committee's report must show how the error occurred. If the error was made by the county office and the applicant was in no way at fault, the report must include a statement to that effect. The report must also show what disposition was made of the check/s issued under the original application. All forms and statements should have been submitted in duplicate.

3. Computation of amount/s due on the basis of the adjustment application.

The adjustment clerk shall compute the payment/s on the adjustment application and computation sheet, where applicable, in accordance with the regular audit procedure issued in connection with the program. If an assignment appeared on the original application, the same assignment must be shown on the adjustment application and a payment computed for the assignee (even though the assignee was paid in whole or in part under the original application). If a set-off was made on the original application, the same set-off must be shown on the adjustment application even though such set-off was properly accomplished. Each such payment or set-off shall be encircled. (Any erroneous set-off which has been corrected will not be shown.)

4. Determination of amount/s of overpayment, entering of indebtedness on register, and preparation of request for refund.

The adjustment clerk shall determine, in accordance with the applicable paragraph below, the amount by which each person was overpaid and shall enter the person's name and such amount on the adjustment application or on a sheet of paper which must be attached to the adjustment application. Unless the U. S. Treasury check issued to the person overpaid has been returned or the proper amount refunded, the amount of each overpayment shall also be set up on the register of indebtedness immediately and the debtor shall be asked to refund such amount. (If the check has been returned or the proper amount refunded, see paragraph 5 below.)

- a. If there was no set-off and no assignment, determine the amount by which each applicant was overpaid by subtracting the payment computed for such applicant on the adjustment application from the amount paid to him under the original application.

Example:

Payments under an original application were made as follows:

Lester Donaldson	\$150.00
Milo Davies	50.00
The payments computed on the adjustment application were --	
Lester Donaldson	75.00
Milo Davies	25.00
As the result, Lester Donaldson was overpaid \$75.00 and	
Milo Davies was overpaid \$25.00	

- b. If there was a set-off but no assignment, determine in accordance with a above, the overpayment to any applicant against whose payment no set-off was made. Determine the overpayment to the person against whose payment the set-off was made and the amount of the excess set-off, if any, as follows:

- (1) Where the amount set off is equal to or less than the "payment less association expenses" (or the payment, on a price adjustment or other application where association expenses are not deducted) computed for the applicant on the adjustment application, the amount by which the applicant was overpaid will be the result obtained by subtracting the payment minus the set-off computed on the adjustment application from the payment minus the set-off computed on the original application.

Example:

Payments under original application were as follows:

Payments less association expenses for Howard	
Mays	\$137.50
Set-off	50.00
Actual amount paid to Howard Mays	<u>87.50</u>

The payments computed on the adjustment application were --

Payment less association expenses for Howard	
Mays	\$110.00
Set-off	50.00
Actual payment for Howard Mays	<u>60.00</u>

Accordingly, Howard Mays was overpaid in the amount of \$27.50 (\$87.50 less \$60.00).

- (2) Where the amount set off is greater than the "payment less association expenses" (or the payment, on a price adjustment or other application where association expenses are not deducted) computed for the applicant on the adjustment application, the amount by which the applicant was overpaid will be the result obtained by subtracting the "payment less association expenses" (or payment on a price adjustment or other application where the association expenses are not deducted) computed for the applicant on the adjustment application from that computed for such applicant on the original application. The overpayment thus computed will be the sum of the amount actually paid to the applicant and the amount of the excess set-off; and, although the applicant will be requested to refund the entire amount of the overpayment, the excess set-off will be recovered, if possible, in accordance with the procedure in Section VII of WD-7. If the excess set-off is recovered and deposited to the appropriation charged with the payment made under the application, two items shall be

entered on the register of indebtedness for the applicant. One will be the excess set-off, the amount of which will be shown as owing to the appropriation credited with such set-off or to the governmental agency (other than the AAA) in whose favor the set-off was made. The other will be the amount actually paid to the applicant under his original application and the appropriation to be credited will be the appropriation charged with the payment made under such application.

In the event that the excess set-off cannot be recovered, only one item shall be entered for the applicant on the register. This amount shall be the full overpayment and shall be shown as owing to the appropriation charged with the payment made under the original application.

Example:

Payments under original application were as follows:

Payment less association expenses for Wilbur Ray ..	\$137.50
Set-off	<u>120.00</u>
Actual amount paid to Wilbur Ray	\$ 17.50

The payments computed on the adjustment application were --

Payment less association expenses for Wilbur Ray ..	\$110.00
Set-off	<u>110.00</u>
Actual payment for Wilbur Ray	0

Accordingly, Wilbur Ray actually received \$17.50 when he should have received nothing, and the set-off was \$10.00 in excess of the amount which should have been set off. Therefore, Wilbur Ray must be asked to refund \$27.50 -- the sum of the amount paid to him and the excess amount credited against his indebtedness. If possible the \$10.00 excess set-off should be recovered in accordance with WD-7.

If the excess set-off is recovered and deposited to the appropriation charged with the payment under the application enter on the register of indebtedness \$10.00 as owing to the appropriation credited with the set-off or to the governmental agency in whose favor the set-off was made and from whom the amount was recovered, and enter \$17.50 as owing to the appropriation charged with this amount which was paid under the original application.

If the set-off cannot be recovered, enter \$27.50 on the register as owing to the appropriation charged with the payment made under the original application.

- c. If payment was made to an assignee but there was no set-off, the overpayment to the applicant and the assignee shall be determined in the manner outlined below. (The overpayment to any applicant who did not assign his payment shall be determined in accordance with paragraph a above.)

- (1) Where the amount assigned and remaining unpaid was reported correctly on the original application and the amount paid to the assignee under such application (other than a multiple farm application in connection with which two or more assignments were filed) is equal to or less than the "payment less association expenses" computed on the adjustment application for the applicant whose payment was assigned, the assignee will not have been overpaid. The amount by which the applicant was overpaid will be the result obtained by subtracting the payment computed for him on the adjustment application from that made to him under the original application. Since the assignee was not overpaid, he must not be asked to make a refund and his name must not be placed on the register of indebtedness.

Example:

The following payments were computed and made under the original application:

Payment less association expenses	\$380.00
Farmers Bank, assignee..(\$100 assignment) ..	100.00
John Murdock	\$280.00

Payments computed on the adjustment application were --

Payment less association expenses	\$285.00
Farmers Bank, assignee (\$100 assignment) ...	100.00
John Murdock	\$185.00

As a result, John Murdock was overpaid in the amount of \$95.00.

- (2) Where the amount paid to the assignee under the original application (other than a multiple farm application in connection with which two or more assignments were filed) is greater than the amount computed for him on the adjustment application, the overpayment for such assignee shall be the amount by which his payment under the original application exceeds that computed for him on the adjustment application. The amount by which the applicant was overpaid will be the result determined by subtracting the payment computed for him on the adjustment application from that on the original; however, the applicant shall be charged with the sum of his own and his assignee's overpayments (or the amount by which the payment less association expenses on the original application exceeds that on the adjustment application).

The amount of the assignee's overpayment shall be set up on the register of indebtedness, but the card shall contain a cross reference to the applicant's name and card. The full amount of the overpayment shall be set up as an indebtedness against the applicant on the register of indebtedness, but a cross reference to the assignee's record of indebtedness shall be entered on the applicant's card. The assignee shall be requested to refund the amount by which he was overpaid, and the applicant shall be requested to refund the full amount of the overpayment to both himself and his assignee. In no event will the assignee be required to refund any amount in excess of his own overpayment.

If recovery is made from the assignee, the proper change shall be made in both the assignee's and the applicant's record of indebtedness, and the applicant should be notified accordingly. If recovery of the full amount is made from the applicant (no amount having been recovered from the assignee), both the applicant's and the assignee's debts shall be removed from the register and the assignee shall be notified that a refund is no longer needed because the proper amount has been recovered from the applicant. In the event that the applicant returns an amount which is in excess of the amount he received under the original application but less than the full overpayment, the entries for both the applicant and the assignee on the debt register will be reduced, but neither name shall be removed from the register until the full overpayment has been recovered. The applicant's indebtedness shall be reduced by the amount he refunds, and the assignee's indebtedness shall be reduced by an amount equal to the difference between the amount paid to the applicant under the original application and the amount refunded by the applicant. Even though the applicant's refund is equal to or greater than the overpayment to the assignee, the assignee's indebtedness should not be considered liquidated because he is responsible for the return of his own overpayment and is relieved of this responsibility only when such amount is recovered from him or when the full overpayment is recovered from the applicant. An assignee need not be notified when his indebtedness has been partially liquidated.

If either the applicant or the assignee refunds an amount in excess of the amount due, the refund shall be deposited to the Special Deposit account from which the proper amount will be withdrawn and deposited to the appropriation and the balance returned to the remitter in accordance with Section XI of this WD-14.

Example No. 1

The following payments were computed and made under the original application:

Payment less association expenses	\$380.00
Farmers Bank, assignee .. (\$300 assignment) ..	300.00
George Peters	\$ 80.00

Payments computed on the adjustment application were --

Payment less association expenses	\$285.00
Farmers Bank, assignee .. (\$300 assignment)	285.00
George Peters	0

As the result, the assignee was overpaid \$15.00. The applicant, who is charged with the full amount (the amount by which he was overpaid plus the amount by which his assignee was overpaid), was overpaid \$95.00.

Example No. 2.

The following payments were computed and made under the original application on which the amount assigned and remaining unpaid was reported incorrectly:

Payment less association expenses	\$95.00
Farmers Bank, assignee (\$60 assignment)	60.00
Harold Hughes	\$35.00

Payments computed on the adjustment application were --

Payment less association expenses	\$74.00
Farmers Bank, assignee (\$50 assignment)	50.00
Harold Hughes	\$24.00

As the result, the assignee was overpaid \$10. The applicant who is charged with the full overpayment was overpaid \$21.00.

- (3) In connection with a multiple farm agricultural conservation application with respect to which the applicant filed two or more assignments, the overpayment to each assignee will be the result obtained by subtracting the payment computed for the assignee on the adjustment application from the amount paid to such assignee under the original application. If the payment computed for the applicant on the adjustment application is equal to or less than the amount paid to him under the original application, his overpayment will be determined by subtracting the "payment less association expenses" computed on the adjustment application from that computed on the original application, since the applicant's overpayment is the sum of the excess amount paid to him and the amount by which each assignee was overpaid.

The proper amount will be set up for each overpaid assignee on the register of indebtedness, and the full amount of the overpayment shall be set up on the register as an amount owing by the applicant. Each assignee's card shall contain a reference to the applicant's card, and the applicant's card shall contain a reference to each assignee's card. Each overpaid assignee

shall be requested to refund the amount of his overpayment. The applicant shall be asked to refund the full overpayment. Any assignee who was not overpaid must not be asked for a refund and his name shall not be entered on the register of indebtedness. If, prior to recovery from any assignee, the applicant refunds the full amount of the overpayment or files another application for payment against which the full overpayment can be deducted, the assignees who were asked to make refunds will be notified that the amounts requested from them are no longer due. Where recovery of a part of the overpayment is made from the applicant, the assignees will not be notified, even though the amount recovered from the applicant is sufficient to reduce the total amount due from the assignees.

Irrespective of the fact that recovery may have been made from the applicant in an amount sufficient to reduce the amount due from the assignees, each assignee is responsible for the return of the amount by which he was overpaid. Therefore, until such time as the total overpayment made to all persons is recovered, a refund from any overpaid assignee will be accepted or a set-off against the payment due under an application filed by any overpaid assignee will be made. The amount of such refund or set-off to be deposited to the appropriation from which the overpayment was made shall not exceed the amount by which the assignee was overpaid.

In order to protect the interests of the Government, recovery of the overpayment must be made at the first opportunity; provided, however, that recovery from any assignee must not exceed the amount by which such assignee was overpaid. If in any case, the amount refunded by an assignee exceeds the amount needed to liquidate the overpayment, the full amount refunded will be deposited to the Special Deposit account and thereafter the required amount will be withdrawn and deposited to the proper appropriation and the balance returned to the assignee. Likewise, where recovery is made from an assignee and thereafter the applicant refunds an amount in excess of the amount needed, the applicant's refund will be deposited to the Special Deposit account, the proper amount withdrawn and deposited to the appropriation and the balance returned to the applicant.

Example:

Payments under an original multiple-farm application were as follows:

Payment less association expenses	\$340.00
Farmers Bank, assignee (\$40 assignment)	40.00
Berry Seed Company, assignee (\$100 assignment)	100.00
Blue Oil Company, assignee (\$100 assignment)	100.00
Henry Jones	100.00

The payments computed on the adjustment multiple-farm application were --

Payments less association expenses	\$140.00
Farmers Bank, assignee (\$40 assignment)	40.00
Berry Seed Company (\$100 assignment)	50.00
Blue Oil Company (\$100 assignment)	50.00
Henry Jones	0

As the result, the Berry Seed Company was overpaid \$50, the Blue Oil Company was overpaid \$50, and Henry Jones was overpaid \$200 (the amount he received under the original application plus the overpayments to the two assignees). The applicant and the two assignees shall be requested to refund these amounts. If, however, before any amount is received from the assignees, Henry Jones files an application against which a set-off in the amount of \$150 can be made, or refunds \$150, the full \$150 will be deposited to the proper appropriation. When this is done the total amount still to be recovered is \$50. (This amount will appear on the register of indebtedness in three places -- the applicant's card, the Berry Seed Company's card and the Blue Oil Company's card.) Then, if the Berry Seed Company refunds \$50 or files an application for payment against which \$50 can be deducted, such amount will be deposited to the appropriation and the Blue Oil Company will be advised that a refund from them is no longer needed. If recovery from the Berry Seed Company had been in an amount less than the amount needed (\$50), the Blue Oil Company would not have been notified that any amount had been recovered; and any amount not in excess of \$50 and not in excess of the amount needed to liquidate the overpayment, recovered from the Blue Oil Company would also be deposited to the proper appropriation.

d. If there was both a payment to an assignee and a set-off, the amounts overpaid shall be determined as follows:

- (1) Where the payments computed for the assignee and for the set-off on the adjustment application are the same as such payments on the original application (i.e., the payment less association expenses on the adjustment application is sufficient to cover the amount set off and the amount paid to the assignee), the overpayment to the applicant will be the result obtained by subtracting the payment computed for the applicant on the adjustment application from that on the original application. This result will be the same as that determined by subtracting the "payment less association expenses" on the adjustment application from that on the original.

Example:

Payments under an original application were as follows:

Payment less association expenses for	
Herbert Spencer	\$475.00
Set-off (\$50 indebtedness)	50.00
Farmers Bank, assignee (\$100 assignment)	100.00
Herbert Spencer	325.00

The payments computed on the adjustment application were --

Payment less association expenses for	
Herbert Spencer	\$380.00
Set-off (\$50 indebtedness)	50.00
Farmers Bank, assignee (\$100 assignment)	100.00
Herbert Spencer	230.00

As the result Herbert Spencer was overpaid \$95 (\$325 less \$230 or \$475 less \$380).

- (2) Where the amount computed for the set-off on the adjustment application is the same as the amount actually set-off under the original application, but the payment computed for the assignee is less than the payment made to him, the overpayment to the assignee will be the result obtained by subtracting the payment computed for him on the adjustment application from the payment made to him under the original application. The overpayment to the applicant will be the sum of the amount which he received under the original application plus the amount by which the assignee was overpaid. (When the payment computed for an assignee on the adjustment application is less than the payment made to the assignee under the original application, the payment for the applicant on the adjustment application will be zero.) These overpayments shall be set up on the register of indebtedness and the requests for refunds shall be made in accordance with subparagraph c (2) of this paragraph 4.

Example:

Payments under an original application were as follows:

Payment less association expenses for	
Walter Brown	\$332.50
Set-off (\$100 indebtedness)	100.00
Farmers Bank, assignee (\$200 assignment)	200.00
Walter Brown	32.50

The payments computed on the adjustment application were --

Payment less association expenses for	
Walter Brown	\$237.50
Set-off (\$100 indebtedness)	100.00
Farmers Bank, assignee (\$200 assignment)	137.50
Walter Brown	0

As the result, the Farmers Bank, assignee, was overpaid \$62.50 and Walter Brown was overpaid \$95.00 (\$62.50 plus \$32.50)

- (3) Where the amount computed for the set-off on the adjustment application is less than the amount actually set off under the original application, the excess amount set off will be the result obtained by subtracting the amount computed for the set-off on the adjustment application from the amount set off under the original application. The overpayment to the assignee will be the result obtained by subtracting the payment computed for the assignee on the adjustment application from the amount paid to the assignee under the original application. The overpayment to the applicant will be the sum of the amount paid to him under the original application, the overpayment to the assignee, and the excess set-off.

The applicant will be requested to refund the entire amount of his overpayment determined in accordance with the preceding paragraph. The assignee will be requested to refund the amount by which he was overpaid; and, if possible, the excess set-off will be recovered in accordance with the procedure in Section VII of WD-7. If the excess set-off is recovered and deposited to the appropriation charged with the payment made under the application, two items shall be entered on the register of indebtedness for the applicant. One will be the excess set-off, the amount of which will be shown as owing to the appropriation credited with such set-off or to the governmental agency (other than the AAA) in whose favor the set-off was made. The other item of indebtedness will be the remainder of the applicant's overpayment (the sum of the amount actually paid to the applicant and the overpayment to the assignee) and the appropriation to be credited will be the appropriation charged with the payment under the original application. The assignee's name and the amount by which he was overpaid shall also be entered on the register of indebtedness. Appropriate cross references shall be made on both the applicant's and the assignee's register cards.

In the event that the excess set-off cannot be recovered, only one item shall be entered on the register for the applicant. This item will be the sum of the amount actually paid to the applicant, the overpayment to the assignee, and the excess set-off, and it will be shown as owing to the appropriation charged with the payment under the original application. The assignee's indebtedness shall be recorded in accordance with the above paragraph.

Example:

Payments under an original application were as follows:

Payment less association expenses for William Remley .	\$190.00
Set-off (\$125 indebtedness)	125.00
Farmers Bank, assignee (\$50 assignment)	50.00
William Remley	15.00

The payments computed on the adjustment application were --

Payment less association expenses for William Remley .	\$ 95.00
Set-off (\$125 indebtedness)	95.00
Farmers Bank, assignee (\$50 assignment)	0
William Remley	0

As the result, the set-off was \$30 in excess of the amount which should have been set off; the assignee was overpaid \$50; and the applicant received \$15 which he should not have received. The applicant, however, is charged with the entire amount of the overpayment which is \$95. The applicant shall be requested to refund \$95 and the same amount shall be set up on the register as his indebtedness -- \$30 shown as owing to the appropriation credited with the set-off or to the proper governmental agency if such amount has been recovered, and \$65 shown as owing to the appropriation charged with the payment made under the original application. (If the set-off has not been recovered, the entire \$95 shall be shown as owing to the appropriation charged with the payment made under the original application.) An indebtedness of \$50 shall also be set up on the register as an amount due from the assignee.

5. Cancellation of any returned U. S. Treasury check and/or deposit of refund.

If the check issued to anyone who was overpaid under the original application is returned to the RDO, prepare the appropriate forms requesting that the check be cancelled. (Refer to section IV.)

If any person refunds all or part of the amount by which he was overpaid under the original application, the refund shall be deposited to the appropriation. If the amount of the refund is in excess of the overpayment, it shall be deposited to the Special Deposit account (see section VI) pending determination as to whether the producer is guilty of any fraudulent act and whether any part of the amount refunded is to be returned to him.

One copy of the form 1044, form 1098 or AAA-375 shall be kept with the adjustment application and other documents constituting the file on the case in order that all persons reviewing the case may have complete information regarding the disposition of any returned check or refund. When an accomplished copy of form 1044, form 1098 or AAA-375 is received, the appropriate data must be entered on the case file copy.

6. Review of case by the State Committee, Director of the Western Division, and Solicitor of the Department of Agriculture.

The complete file of the case shall be referred to the State Committee who will fully consider the facts as disclosed by the county committee's report or by any further investigation the State Committee may see fit to have made, and will determine whether or not the evidence indicates that fraud has been perpetrated in the case. If it is found that the person to whom the overpayment was made knew that the data entered on the application with respect to performance on his farm were not in accordance with the facts and the regulations and official instructions governing the program, he shall be deemed to have induced the overpayment by fraudulent conduct. Such person shall in all cases be presumed to know what data are entered on the application as it stood at the time he signed it. Whether a finding is justified that such person, at the time he executed it, believed that the statements in the application were in accordance with the facts and the regulations and official instructions governing the program will depend on the nature, extent, and effect of the misstatement in the application. In applying these principles, the fact that any misstatement shown in the application was suggested or recommended by, or made with the knowledge of, any person connected with the county committee or any other agency of the Government shall not be controlling.

If the State Committee finds that the evidence indicates fraud, the committee shall make a written report of its findings and forward such report, together with the county committee's report and the complete file of the case, to the Director of the Western Division for further consideration and decision. If he so desires, the Regional Director may also require an investigation. In the event that the Regional Director determines that there is no showing of fraud, the State and county committees will be so advised in writing, and the case shall be handled in accordance with paragraph 7 below. If the Regional Director determines that, according to the evidence, there is fraud in the case, the complete file will be transmitted promptly to the Solicitor of the Department of Agriculture. If, in the opinion of the Solicitor, there is no fraud in the case, he will so advise the Regional Director in writing, who in turn will advise the State and county committees in writing and the case shall then be handled in accordance with paragraph 7 below. Where, in the opinion of the Solicitor, the overpayment was induced by fraud, he will refer the case to the Department of Justice for such action under the Criminal Code of the United States or other laws as such Department deems appropriate. The State Office will proceed in accordance with paragraph 8 below.

Upon determination by the State Committee that there is fraud in the case, no further payment shall be certified for the producer involved or for his assignee in connection with any program, pending a determination by the Director of the Western Division and/or the Solicitor.

Where the State Committee finds that the evidence does not indicate fraud, the case shall be returned to the adjustment clerk who shall handle it in accordance with paragraph 7 below.

7. Completion of case where no fraud is involved.

Upon receipt of the case, the adjustment clerk shall determine whether the overpaid producer has refunded the amount set up on the register of indebtedness, whether a set-off of such amount has been made, or whether the U. S. Treasury check issued to such producer under the original application was returned and cancelled.

- a. If the check issued to the overpaid producer has not been returned and recovery of the overpayment has not been made by refund or set-off, the case shall be filed. When a refund is received or a set-off made, the proper changes will be made in the register and the case should be marked closed. In the event that a refund has been received and deposited to the special deposit account, transfer the proper amount to the appropriation which should be credited and return the balance, if any, to the producer. (See sections X and XI.) Be certain that the entries on the register of indebtedness have been corrected and the case marked closed if the full amount of the overpayment has been refunded.
- b. If the check issued to the overpaid producer has been returned and cancelled, determine whether the producer is entitled to any payment. If so, it will be necessary to schedule the adjustment application for payment of the proper amount. The adjustment application may be certified for payment even though the producer who was overpaid or whose assignee was overpaid did not sign it, since the amount being certified is less than the amount for which a check was issued under the original application. Draw a line through the encircled entry made on the adjustment application in accordance with subparagraph 3 above, and enter the same amount beside it. (Since the check was returned and cancelled, the person is entitled to the payment computed for him on the adjustment application.) If any set-off is to be made, identify such set-off and enter the amount thereof on the application and prepare the required forms in accordance with the procedure in WD-7. Withdraw the original and first copy of ACP-28 and form 1664-A from the files and enter beneath "Resubmittable item" on ACP-28 the form number and State and county code and serial number of the adjustment application. The application shall then be scheduled on the proper continuation sheet, public voucher, and schedule of disbursements, and transmitted to the Preaudit Office in the regular manner. It must, however, be accompanied by the original statement of explanation signed by a county committeeman, the original ACP-28 signed by the certifying officer, and the State Office file copy of the original application. (The D. O. voucher number and the date on which the original application was paid should be entered thereon.) The adjustment application may be certified for payment even though the accomplished copy of the request for cancellation of the check has not been received. The notation prescribed in section IV shall be entered on the original ACP-28 being forwarded to Preaudit in order that that office will be able to identify the form 1044 or AAA-375 and release the adjustment application upon receipt of their copy. The State Office copy of ACP-28 should not be completed until the accomplished copy of form 1044 or AAA-375 is received.

Copies of the adjustment application, all forms and reports, the original and copies of the determination that there was no fraudulent act on the part of the person overpaid, and the copy of ACP-28 with form 1664A attached will be filed in the State Office.

8. Handling of case where a person is guilty of fraud.

If, after the case has been referred to the Solicitor in accordance with paragraph 6 above, the Solicitor determines that the overpayment was induced by fraud, he will so advise the Director of the Western Division, who will in turn notify the State Office. When this is done, the person whose overpayment was induced by fraud shall be charged with an indebtedness in the full amount of the payment made to him.

If the U. S. Treasury check issued to such person has been returned and cancelled, the full amount of such check will have been deposited to the appropriation. This amount will be left in the appropriation even though the payee on the check would have been entitled to a payment had no fraud been involved.

If such person has refunded the amount of his overpayment, but no more, the refund will have been deposited to the appropriation; however, such person shall be requested to refund the balance of his payment and the full amount of such balance shall also be set up on the register of indebtedness, unless there is in the State Office an application against which a set-off of the necessary amount can be made. In the event that the person overpaid has refunded the full amount of his payment and such refund has been deposited to the special deposit account, the adjustment clerk shall transfer the full amount of the refund into the appropriation.

Where the overpaid person has filed another application which has been held in the State Office in accordance with paragraph 6 above, any amount owing to the AAA by such person as the result of the fraudulent act shall be set off against the payment due under such other application. The balance of the payment, if any, may be certified.

B. Error in State Office.

When the basic date on the original application were correct but, as the result of a State Office error (in computation, scheduling, etc.) the payment made to the applicant or to his assignee, or both, is greater than the amount due, the adjustment clerk shall handle the case in the manner outlined below. The county committee will not be asked to make an investigation, inasmuch as there is no question regarding any fraudulent act on the part of the producer. No statement from the applicant or county committee is required because of the fact that no additional payment will be certified unless the checks issued are returned and cancelled, in which event any amount certified will be less than the amount of the cancelled check/s, and the applicant's signature is not needed when either his or his assignee's payment is being decreased.

1. Location of check/s issued under original application.

As soon as the error on the original application is discovered, the adjustment clerk shall determine whether a check has been issued, and, if so, he shall request the county treasurer to return it to the RDO instead of delivering it to the payee if this has not been done, or if such check has been delivered, to return (until further notice) any other check which he may receive for such person in connection with any other program.

2. Preparation of dummy application.

The adjustment clerk shall also prepare a dummy application and computation sheet (where necessary) on which the correct payment/s shall be computed in accordance with the regular audit procedure issued in connection with the program involved. All basic data, including any assignment or indebtedness, on the dummy application must be the same as that on the original. Each payment or set-off computed on the dummy application shall be encircled. (Any erroneous set-off which has been corrected will not be shown.)

3. Determination of amount of overpayment, entering of indebtedness on register and preparation of request for refund.

The adjustment clerk shall follow the procedure in paragraph A, 4, of this section XIII.

4. Cancellation of any returned U. S. Treasury check and/or deposit of refund.

If any check issued to a person who was overpaid is returned, the adjustment clerk shall request that the check be cancelled. (Refer to section IV.)

If any person refunds all or part of the amount by which he was overpaid, the refund shall be deposited to the appropriation charged with the original payment. (Refer to section VI or VII.) If the refund is in excess of the amount of the overpayment, it shall be deposited to the special deposit account from which the proper amount shall be transferred to the appropriation and the balance returned to the payee.

5. Completion of the case.

In view of the fact that there is no question of fraud, the case will not be referred to the State Committee for a determination. The adjustment clerk will make final disposition of the case in accordance with the procedure in paragraph A, 7 of this section XIII. The dummy application prepared in the State Office will, of course, be substituted for the adjustment application referred to in said paragraph; and a memorandum of explanation prepared by the adjustment clerk for the signature of the certifying officer and addressed to the Preaudit Office will be substituted for the county committee's statement of explanation referred to in said paragraph.

XIV. ADJUSTMENT CASES -- ONE OR MORE PERSONS OVERPAID AND ANOTHER PERSON UNDERPAID IN CONNECTION WITH THE ORIGINAL APPLICATION.

Adjustment cases are those resulting from erroneously executed or computed original applications which have been certified by the State Office, approved by Preaudit, and paid by RDO. Sections XII, XIII, and XIV all contain procedure for the handling of adjustment cases, but each section deals with a different type of case.

The adjustment clerk shall follow the procedure in this section XIV in each case where (1) the original application is filed by two or more persons, the payment to at least one of such persons being greater than the amount due and the payment to at least one other person being less than the amount due, (2) the original application was filed by only one person who was overpaid because another person was also entitled to share in the farm or range payment but such other person's interest was not shown, or was not correctly shown, on the original application or computation sheet, or (3) the original application was filed by two or more persons at least one of whom was overpaid because another person was also entitled to share in the farm or range payment but such other person's interest was not shown (or was not correctly shown) on the original application or computation sheet. The procedure in this section shall be followed in each case outlined above unless the check issued to the person overpaid has been covered into the outstanding liabilities account by the General Accounting Office in Washington.

A. Error in basic data on application.

1. Requests for investigation of error and return of check.

Immediately upon receipt of information to the effect that any person has been overpaid in connection with an application and that, as the result of such overpayment, any other person has been or would be (if he has not yet received a payment to which he is entitled) underpaid, the adjustment clerk shall prepare in accordance with section XIII, A, 1, the letter requesting an investigation by the county committee. The investigation will not be confined to the actions of the person who was overpaid, but should include information from all persons interested in the farm or range.

The adjustment clerk shall also request the county treasurer to return to the RDO the check issued to any person who was overpaid if such check has not been delivered; or if such check has been delivered to return (until further notice) any other check which he may receive for such person in connection with any other program. After the full amount due from the person overpaid has been determined and recovered, the adjustment clerk shall request the RDO to forward to the payee any check which the county treasurer has returned in accordance with the State Office request referred to above. If the check has been sent to GAO, the payee must file a request for it. (Refer to section III.) In the event, however, that all or part of the check issued in connection with another application is needed to liquidate the amount of such person's overpayment as determined in accordance with subparagraph 4 of this paragraph A, the adjustment clerk shall request that such check be cancelled and shall deposit the proper amount to the appropriation, returning any balance to the payee.

If the State Office was first notified of the error at the time an adjustment application was received, the adjustment clerk should examine such application, in accordance with paragraph 2 below, before forwarding to the county committee the request referred to above.

2. Examination of county committee's report, adjustment or original application, and computation sheet.

Upon receipt of the county committee's report, the adjustment clerk shall examine it and determine that it fulfills the requirements of Section XIII, A. 2.

The adjustment application and computation sheet, where applicable, shall be examined and the payment/s due thereunder computed in accordance with the applicable paragraphs of Sections XII and XIII. Any original ACP application filed by a person who is interested in the farm or range but who did not file an application and receive a payment before the overpayment was discovered shall be examined and the payment computed in the regular manner. The basic data on such original application must agree with that on the adjustment application and computation sheet submitted for the purpose of correcting the original of such forms in connection with which the overpayment was made.

If the original application was a parity, range, or other application which is to be filed by all persons interested in the farm or range, or if the original application was an ACP application on which an assignee was underpaid and the applicant overpaid or vice versa, the producer who was underpaid (or whose assignee was underpaid) or who was not paid at all must have signed the adjustment application, if he is asking for a payment. If such person signed the original application, he must also have signed the statement of explanation.

If the overpayment occurred in connection with an ACP application which is to be filed by only one producer, the adjustment application submitted for the purpose of correcting the original filed by the person overpaid need not be signed by the applicant. It must, of course, be approved by the county committee. If another producer interested in the farm filed an original application in connection with which he or his assignee was underpaid, such producer must also file an adjustment application and a statement of explanation if he wishes to secure any additional amount which may be due either himself or his assignee. In the event that the other person interested in the farm did not file an application and receive a payment before the overpayment was discovered, such person will be permitted to file an original application (not an adjustment, since such person did not previously receive a payment in connection with an original) on which the basic data must agree with that on the adjustment application (submitted for the purpose of correcting the error on the original application filed by the overpaid producer) and with that on the adjustment farm computation sheet. The producer who is filing the original application will not be required to sign the statement of explanation, since he did not receive a payment under an incorrect original application.

The statement of explanation referred to above shall be submitted in addition to the county committee's report regarding the investigation for fraudulent action, because it will be transmitted to the Preaudit Office with any original or adjustment application on which a payment is being certified. The statement must always be signed by the county committee.

If any person who did not receive the full amount due under an original application has not been permitted to sign the adjustment application for the reason that such person did not file the adjustment application within the time limit established, the county committee's statement to that effect must be attached.

3. Determination of the amount by which each person was overpaid and the amount by which each person was underpaid.

After computing the correct farm or range payment and the proper division thereof, the adjustment clerk shall determine the amount/s still due and the amount/s overpaid in accordance with the applicable paragraphs below.

a. Computation of additional amount due the person who was underpaid

Where the payment to a producer who filed an original application is less than the amount due, where the payment to such producer's assignee is less than the amount due, or where the amount set off is less than the amount which would have been set off if the original application had been correct, the additional payment/s shall be computed on the adjustment application and computation sheet, where applicable, in accordance with Section XII, A, 4.

The additional amount/s due must be computed, even though the producer did not sign the adjustment application, in order that the correct farm or range payment and the proper division thereof may be determined. Such amount/s shall be encircled if the producer did not sign the application.

If the applicant is indebted to the United States and a set-off is to be made against the payment computed on the adjustment application, such set-off may be entered and the amount due the governmental agency determined (preferably on another sheet of paper which shall be attached to the application). However, in view of the fact that it may not be possible to issue a payment under the adjustment application until the overpayment is recovered (refer to paragraph 6 below), the register of indebtedness shall not be corrected until the time when the payment can be certified, because in the meantime the applicant may file another application against which the set-off can be made. If that is done, the amount computed for the set-off on the adjustment application will have to be redetermined in order to avoid duplicate set-offs.

b. Computation of amount due the person who has not received any payment.

Where a person interested in the farm or range is entitled to a payment but such payment has not been made at the time the overpayment to another person is discovered, the amount due such person shall be determined in accordance with the regular audit procedure furnished in connection with the program.

This payment shall be computed irrespective of whether the producer to whom it is due or to whose assignee the payment is due has filed an original or supplemental adjustment application. (The producer may have filed an original ACP application if the overpayment was made under another original ACP application filed with respect to the same farm and program by another person; or he may have filed a supplemental adjustment application if he did not sign either the original or the adjustment parity or range application which is to be filed by all persons interested in the farm or range). Any amount computed for a producer or his assignee shall be encircled if the producer did not sign the application because no such payment will actually be made; however, the amount should be computed in order that the total farm or range payment and the correct division thereof can be determined.

The amount due any producer or his assignee shall not be encircled if the producer signed the application, because the entire amount is due and will be paid as soon as possible. If the producer is indebted to the United States and a set-off is to be made against his payment, follow the procedure in the last subparagraph of paragraph a above.

- d. Determination of amount/s overpaid, entering of indebtedness on register, and preparation of request for refund.

The amount of the overpayment to the applicant, his assignee, or a governmental agency to whom he was indebted shall be determined in accordance with section XIII, A, 2. The request for refund shall be prepared and the debt shall be set up on the register in accordance with the same procedure.

- (1) In connection with a single farm application with respect to which the assignee has been overpaid and the applicant underpaid, the following procedure is applicable:

b Where the farm payment computed on the adjustment application is the same as that computed on the original application but the amount computed for the assignee on the adjustment application is less than the amount computed for him on the original application because the amount assigned and remaining unpaid was incorrectly reported on such original application, the applicant will have been underpaid. The assignee's name and the amount of the overpayment will be set up on the register of indebtedness and the assignee will be requested to refund the amount of his overpayment. Such amount shall not, however, be set up on the register as a debt owing by the applicant because the excess amount paid to the assignee actually belongs to the applicant and not to the appropriation. Therefore, it would not be proper to charge the applicant with an indebtedness which might be set off against another payment due him for the sole purpose of paying him the amount due under the adjustment application referred to above.

Where the farm payment computed on the adjustment application is greater than that computed on the original application but the amount computed for the assignee on the adjustment application is less than that computed for him on the original application because the amount assigned and remaining unpaid was incorrectly reported on such original application, the applicant will have been underpaid for two reasons -- first, because the assignee was overpaid, and, second, because the farm payment is to be increased. The assignee's name and the amount of the overpayment will be set up on the register of indebtedness and the assignee will be requested to refund the amount of his overpayment. For the reason outlined above, the applicant will not be charged with an indebtedness. The additional amount due the applicant from the appropriation can be certified after the case has been reviewed and approved in accordance with paragraph 6 below; however, the excess amount paid to the assignee cannot be paid to the applicant until it is recovered.

- d. Determination of amounts overpaid and underpaid in connection with a multiple farm application on which two or more assignments were reported.

Where an applicant filed two or more assignments in connection with a multiple farm ACP application and either the applicant or an assignee was overpaid (no person having been underpaid), follow the procedure in section XIII, A, 4, c, (3). If, however, one or more persons were overpaid and one or more persons were underpaid, the procedure in one of the following paragraphs is applicable.

In the event that any assignee was overpaid under the original application (no assignee having been underpaid) but the payment computed for the applicant on the adjustment application is greater than the amount computed for him on the original application, the overpayment to each assignee shall be the amount by which the payment to such assignee under the original application exceeds the amount computed for such assignee on the adjustment application. The overpayment to the applicant shall be an amount equal to the result determined by subtracting from the sum of the overpayments to all assignees the additional amount due the applicant (which additional amount is determined by subtracting the payment computed for the applicant on the original application from that computed for such applicant on the adjustment application.) In other words, the applicant will be charged with only that amount by which the "payment less association expenses" on the original application exceeds the "payment less association expenses" on the adjustment application because of the fact that the balance of the overpayments to the assignees (i.e., the amount in excess of that due the appropriation) actually belongs to the applicant, and there would be no reason to have him refund such balance in order that the amount could be paid back to him. The overpayment to each assignee and to the applicant shall be set up on the register of indebtedness and refunds shall

be requested in accordance with section XIII, A, 4, c, (3). If all assignees refund the amount by which they were overpaid, there will be sufficient money to pay the applicant the additional amount due him and to credit the appropriation with the amount overpaid with respect to all farms under the original application. (Note. In view of the fact that an appropriation cannot properly be charged with more than 100 percent of the payment due with respect to a farm, any amount recovered from an assignee should not be paid to the applicant unless the appropriation has been credited with the full amount due it.)

Where any assignee was underpaid in connection with the original application but another assignee and/or the applicant was overpaid, the overpayment to each assignee shall be determined and entered on the register in accordance with the above paragraph. The applicant will be charged with the sum of his own overpayment and the overpayment to each assignee. If recovery of the full amount charged against the applicant is made from him, the appropriation can be credited with the amount due and the underpaid assignee can be paid in full. If recovery is made from an overpaid assignee, the amount due from the applicant will be reduced by the amount recovered from the assignee.

- e. In connection with ACP and range applications there will be instances where, as the result of the increases in small payments, the amount/s overpaid and the amount/s to which other persons are entitled in connection with the same farm or range, are not equal. In such cases the appropriation will be credited with any amount recovered in excess of an amount to be paid to another person and will be charged with any amount by which a payment to be issued exceeds the amount of an overpayment recovered.

Example:

The following payments were computed and made under an original range application: (The same example is applicable to ACP but two original applications would have been filed.)

Earned payment for Milton Crossby	\$375.00
Increase in payment	0
Increased payment	375.00
Payment less 5% assn. expense	356.25
Payment to Farmers Bank, assignee (\$200 assignment)	200.00
Payment to Milton Crossby	156.25
Earned payment for Bob Tanner	125.00
Increase in payment	14.00
Increased payment	139.00
Payment less 5% assn. expense	132.05
Payment to Mays Seed Co., assignee (\$100 assignment)	100.00
Payment to Bob Tanner	32.05

Payments computed on the adjustment application were --

Earned payment for Milton Crossby	\$250.00
Increase in payment	0
Increased payment	250.00
Payment less 5% assn. expense	237.50
Payment to Farmers Bank, assignee (\$200 assignment) ...	200.00
Payment to Milton Crossby	37.50

Earned payment for Bob Tanner	\$250.00
Increase in payment	0
Increased payment	250.00
Payment less 5% assn. expense	237.50
Payment to Mays Seed Co., assignee (\$100 assignment) ..	100.00
Payment to Bob Tanner	137.50
Less \$32.05 paid to him under the original application	105.45

In this case, Milton Crossby was overpaid in the amount of \$118.75 but Bob Tanner is entitled to only \$105.45 of that amount. This is due to the fact that on the original application a \$14.00 increase in payment was added to Bob Tanner's earned payment, but he was not entitled to an increase in payment under the adjustment application. Therefore, \$13.30 of the amount to be recovered from Milton Crossby will be deposited to the appropriation.

4. Cancellation of any returned U. S. Treasury check and/ or deposit of refund

If the check issued under the original application to any person who was overpaid has been returned or if such person has refunded all or part of his overpayment, follow the procedure in section XIII, A, 5.

5. Review of case by the State Committee, Director of the Western Division, and Solicitor of the Department of Agriculture.

Where an overpayment has been made to an applicant or his assignee, the procedure in section XIII, A, 6, and 8 shall be followed.

6. Determination as to when additional amount due person/s underpaid can be certified for payment.

The procedure in this paragraph 6 shall be followed in those instances where the State Committee, the Director of the Western Division, or the Solicitor of the Department of Agriculture determines that fraud is not involved and the case is returned to the adjustment clerk for completion.

In those instances where the Solicitor determines that a person is guilty of fraud, he will advise the Director of the Western Division in writing as to whether the facts in the case disclose that any person underpaid participated in, connived at, or instigated the fraudulent conduct which induced the overpayment, or obtained the benefit of any part of the amount

of the overpayment. The Director will transmit this information immediately to the State Office. If it is determined that a person who was underpaid (or not paid) did not participate in, connive at, or instigate the fraudulent conduct which induced the overpayment or if such person did not obtain the benefit of any part of the amount overpaid, the amount due such person will be paid without regard to the action taken with respect to the person guilty of a fraudulent act. Upon receipt of the case, the adjustment clerk shall follow the procedure in this paragraph.

In making this determination, the adjustment clerk shall keep in mind the fact that an appropriation can properly be charged with only 100 percent of the payment due with respect to a farm or range.

If any producer to whom a payment is due is indebted to the United States, a set-off shall be made in accordance with WD-7.

The amount of the set-off may have been computed and entered on the application in accordance with paragraph 3 above. If so, the adjustment clerk shall check the register again to be sure that the indebtedness as formerly recorded on the application is correct. The amount entered on the register may have been increased or decreased in the meantime.

Where the county committee has not permitted a producer to sign the application for the reason that he did not file it within the time limit established, no payment will be certified for such person or for his assignee.

The payment to be certified shall be entered on the application in the space provided.

a. Payments which can be certified in full immediately

Where an additional payment is due a person who was underpaid or where a payment is due a person who was not paid at all, and the application and accompanying documents in connection with which such payment is due fulfill all other requirements of this paragraph A, the full amount due may be certified immediately if --

- (1) The U. S. Treasury check issued to each person overpaid in connection with the same farm (or all farms where a multiple farm ACP application is involved) or range and the same program has been cancelled and the proceeds thereof deposited to the appropriation. (Any amount to which the overpaid person is entitled shall also be certified even though he did not sign the application. Refer to section XIII, A, 7, b.)
- (2) The amount by which each person was overpaid in connection with the same farm (or all farms where a multiple farm ACP application is involved) or range and the same program has been recovered by refund or set-off and deposited to the appropriation.

b. Partial payments which can be certified immediately.

Where an additional payment is due a person who was underpaid or where a payment is due a person who was not paid at all and the application and accompanying documents in connection with which such payment is due fulfill all other requirements of this paragraph A but the full amount of all the overpayments issued in connection with the same farm or range and the same program have not been recovered, only a partial payment can be certified immediately. When submitted to Preaudit, the application must be accompanied by a memorandum explaining why payment is not being certified in full. The balance due will be certified after another application and request have been received from each person to whom a partial payment is made and the full amount of each overpayment recovered. Where a partial payment can be certified immediately but the State Office has reason to believe that the overpayment/s will soon be recovered in full, and, therefore, the entire amount/s due can be paid, the application may be held until the overpayments are recovered in full. Partial payments may be certified if --

- (1) An additional amount is due from the appropriation (even though no overpayment has been recovered).
- (2) An overpayment has been recovered in part and the appropriation does not stand charged with more than 100 percent of the payment due with respect to the farm or range. Where an additional amount is due two or more producers, the amount recovered must be prorated among them.

Example:

Farmer A received the entire farm payment in the amount of \$100. Later it was discovered that B and C should each have received \$25 and that A should have received only \$50. A refunds \$25. If B and C file applications, each may receive \$12.50. The additional \$12.50 due each may be certified after receipt of a written request from each and upon recovery of the other \$25 due from A.

If, in the above example, B had filed an application but C had not, only the \$12.50 could be certified for B immediately. The other \$12.50 should remain in the appropriation where it would be available for payment to C upon receipt of his application. (If the State Committee is certain beyond all doubt that C will not file an application -- if the time limit for filing the application has expired, etc. -- then the full \$25 recovered from A may be paid to B. Upon recovery of the other \$25 from A, such amount shall be deposited to the appropriation.)

If either B or C had executed an assignment in connection with the application, the payment which can be made (\$12.50) must be determined and the amount assigned deducted from such payment. This must be done because of the fact that the assignee is entitled to no more than the amount which is available for payment to the applicant.

- c. No payment to be certified immediately.

Where no additional amount is due from the appropriation, and no part of any overpayment issued to a person in connection with the same farm or range and the same program has been recovered, a payment may not be certified for any person who is entitled to it.

Where a part of the amount by which a person was overpaid has been recovered but the appropriation stands charged with 100 percent or more of the payment due with respect to the farm or range, no additional amount which may be due any other person in connection with the same farm or range and the same program may be certified.

The adjustment clerk shall see that the proper debts have been set up on the register and that requests for refunds have been sent to all persons overpaid. Then the case shall be filed until a refund is received or a set-off is made, at which time either full or partial payment (refer to a or b above) may be certified.

- d. Additional payment to be certified at a later date.

When, in accordance with b above, only a partial payment is certified, the additional amount due will be certified when more of the amount overpaid is recovered by refund or set-off, if the producer who received the partial payment (or whose assignee or creditor agency of the Federal Government received the partial payment) has filed a written request for the additional amount (the exact amount need not be shown). Upon receipt of this request, the adjustment clerk shall prepare a dummy application which must be identical with the application under which the partial payment was made. It must also have the same serial number followed by "(2)." When transmitted to Preaudit it must be accompanied by the producer's request and a memorandum of explanation, prepared in the State Office and signed by the Certifying Officer, and the State Office copy of the application under which the partial payment was made (with the D. O. voucher number and the date such application was paid entered thereon).

7. Certification of amount due any person who was underpaid or who was not paid under the original application.

The amount to be certified for payment to any person shall be scheduled on the appropriate public voucher, continuation sheet, and schedule of disbursements in accordance with existing procedure. Any amount being set off shall be scheduled in accordance with WD-7.

The regular number of copies of all forms shall be transmitted to Preaudit. Where payment is being certified in connection with an original application filed by a person who has not yet received a payment for the performance represented thereon, such application shall be scheduled in the same manner as any other original application but shall be accompanied by an adjustment computation sheet where applicable, the County Committee's statement of explanation, the State Office copy of the original application under which the overpayment was made (with the D. O. voucher number and the date such application was paid entered thereon) and the appropriate reference, as outlined below, to the form on which the amount recovered was scheduled for deposit to the appropriation.

Where the payment is being certified in connection with an adjustment application, such application must be accompanied by all of the forms and information outlined above, and, in addition, by the written statement of explanation and request signed by the applicant (or by the applicant and the county committee where both sign the same statement).

If a check issued to a person overpaid was returned and cancelled, the procedure in section XIII, A, 7, b, is applicable. (Even though all or part of the proceeds of a check being cancelled are to be paid to a person who was underpaid or not paid, and an accomplished copy of the request for cancellation has not been received, the application may be certified.)

Where the overpayment is being recovered by set-off enter in a conspicuous place on the application under which a payment is being certified, the administrative number of the voucher on which the set-off was scheduled. This will enable the Preaudit office to pull their copy of the voucher and verify the set-off appearing on the voucher continuation sheet. The application may be certified even though the accomplished copy of the form 1096 has not been received in the State Office.

Where the overpayment is recovered by refund, the payment to any person entitled thereto must not be certified until an accomplished copy of the form 1044 on which the refund was scheduled for deposit to the appropriation is received in the State Office. In a conspicuous place on the application enter the schedule number of the form 1044 or the form 1046 on which the refund was scheduled for deposit to the appropriation. The Preaudit Office will have the refund checked in Washington for the purpose of determining whether or not it has actually been taken up in the Disbursing Officer's accounts, before approving the payment.

The regular number of copies of all forms shall be kept in the State Office, and the copy of the application returned to the county in accordance with existing procedure. The original and all copies of the determination that there was no fraudulent act or that the person to whom a payment is being certified was not guilty of fraud will be kept in the State Office.

B. Error in State Office.

Where a person was overpaid as the result of a State Office error and such overpayment has resulted or will result in another person being underpaid or not paid, the procedure in this paragraph B shall be followed. Since the basic data on the application were correct, there is no question of fraud. Therefore, the county committee will not be required to make an investigation.

1. Location of check issued to person overpaid.

The adjustment clerk shall follow the procedure in paragraph B, 1 of section XIII.

2. Preparation of dummy application.

The adjustment clerk shall prepare a dummy application in accordance with section XIII, B, 2, for the purpose of correcting the original under which the overpayment was made.

3. Determination of the amount by which each person was overpaid and the amount by which each person was underpaid.

The adjustment clerk shall follow the procedure in paragraph A, 3 of this section XIV.

4. Cancellation of any returned U. S. Treasury check and/or deposit of refund.

The adjustment clerk shall follow the procedure in section XIII, B. 4.

5. Determination as to when amount due person/s underpaid or person/s not paid can be certified.

The adjustment clerk shall follow the procedure in paragraph A, 6 of this section XIV.

6. Certification of amount due any person who was underpaid or who was not paid under the original application.

XV. MISCELLANEOUS

A. Application recalled before a check is issued.

If an application which has been certified by the State Office is recalled before a check is issued because of the fact that it was executed in error, the corrected application submitted in place of the incorrect one will not be an adjustment application. It will be another original application having the same serial number as the incorrect one. When the correct application is submitted to Preaudit, it should be accompanied by the incorrect application and the Preaudit difference statement on which such application was returned to the State Office. (The Preaudit difference statement will show that the application was returned at the request of the State Office.)

It should also be accompanied by a statement to the effect that the first application was in error and that the application being transmitted is to be substituted in lieu thereof.

In the event that an application is recalled before a check is issued, because of an error made by the State Office, such error will be corrected on the original application and it will be resubmitted in the regular way with the Preaudit difference statement and a statement of explanation from the certifying officer. No dummy application will be prepared.

B. Request for photostatic copies of U. S. Treasury checks.

Whenever it is necessary for the State Office to have a photostatic copy of a U.S. Treasury check which has been cashed, the adjustment clerk shall prepare a letter addressed to the Director of the Western Division, giving a complete description of the check, the D. O. Symbol number and the D. O. voucher number under which the check was issued, and the reason why the photostatic copy is needed. Upon receipt of the letter, a formal request for the copy will be prepared for the signature of the Administrator of the AAA. When the photostatic copy is received in the Western Division it will be transmitted to the State Office immediately. After the photostatic copy of a check has served its purpose in the State Office it must be returned to the General Accounting Office. The State Office will, therefore, return the copy to the Western Division for transmittal through the regular channels.

C. U. S. Treasury check deposited into Outstanding Liabilities.

After a U. S. Treasury check has been returned to the General Accounting Office in Washington and deposited into the outstanding liabilities account (refer to Section II, C) any request for the payment of the proceeds of such check must be handled and settled by the General Accounting Office.

If the payee files his request direct with the General Accounting Office, that Office will in the regular course of events, request the Department of Agriculture to submit an administrative report. This request will be referred to the State Office by the Washington office of the Western Division.

If a payee who was not available at the time his check was in possession of the county treasurer files with the State or county office, a request for his check after it has been deposited into the outstanding liabilities account, the State Office shall transmit his request and an administrative report on form AD-42 to the Washington Office of the Western Division immediately. Such request and administrative report will be forwarded through the Office of Budget and Finance to the General Accounting Office. After the case has been settled, the State Office will receive form AAA-367 or other notice of settlement.

Where the proceeds of a check in outstanding liabilities should be paid to someone other than the payee in connection with an adjustment application, the adjustment application should be examined and payment computed and an

administrative report should be prepared on form AD-42. The case shall be sent to Preaudit for approval, subject to final determination by the General Accounting Office in Washington, with the request that it be returned to the State Office for transmittal through the Washington Office of the Western Division and the Office of Budget and Finance to the General Accounting Office. Upon receipt of AAA-367 or other notice of settlement, the adjustment clerk shall notify the State accountant and the Control Accounts and Reports Section of the AAA regarding any necessary adjustment in the administrative expense account.

D. Remittance representing both State Office and commodity contract overpayments

When a remittance received in the State Office covers an amount due as the result of an overpayment by the State Office and an amount due in connection with a commodity contract, the full amount shall be deposited to the special deposit account. Then the amount of the State Office overpayment shall be transferred to the proper appropriation. At the time the transfer is made, the adjustment clerk shall also prepare a letter for the signature of the Director of the Western Division, addressed to the Director of Finance, Office of Budget and Finance, and requesting that appropriate action be taken to effect the transfer of the balance of the remittance (the amount must be shown) from the RDO special deposit account -- administrative symbol 66.2-195 "Suspense, A.A.A., Conservation Payments" -- to the Washington Disbursing Office special deposit account -- administrative symbol 66.2-196 "Suspense, Collections, A.A.A." The letter must also include the schedule number of the form 1044 on which the remittance was credited to special deposits and the certificate of deposit number entered on such form by the RDO.

The letter shall be prepared in quintuplicate. One copy and the original of the letter transmitting the remittance to the State Office shall be kept in the State Office files, and the original and four copies (with a copy of the letter transmitting the remittance to the State Office attached to each) shall be forwarded to the Washington office of the Western Division where the original will be signed. The original and one copy will be forwarded to the Office of Budget and Finance, one copy will be forwarded to the Office of the Comptroller, AAA, and the remaining copy will be kept in the Western Division files.

After the transfer has been effected, the State Office will receive from the Washington office of the Western Division an accomplished copy of Treasury Form 1669. This form should be given to the accountant as his authority to decrease the special deposit account, after the adjustment clerk has made the necessary notations in the file.

Where the Comptroller, AAA, receives a remittance covering an amount due in connection with a commodity and a State Office overpayment, he will prepare the letter for the Office of Budget and Finance. Such letter will request that the proper amount be transferred from the 66.2-196 special deposit account to the 66.2-195 special deposit account. When this has been done the Washington office of the Western Division will receive the

accomplished copy of Treasury form 1669 which will be transmitted to the State Office immediately, together with a copy of the letter transmitting the remittance to the Comptroller and a copy of the Comptroller's letter to the Office of Budget and Finance. Upon receipt of the form and letters, the adjustment clerk shall correct the register of indebtedness (the overpayment will have been recorded thereon) and prepare the forms necessary to transfer the proper amount from the special deposit account to the appropriation and the balance, if any, to the person who made the refund. (Refer to section X or XI.) The Treasury form 1669 shall be given to the State accountant as it will serve as his authority to increase the special deposit account.

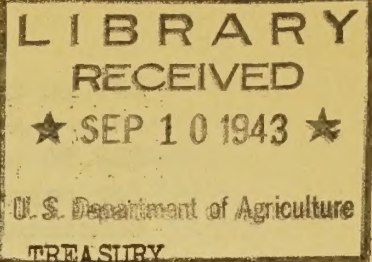
In each instance the Control Accounts and Reports Section will receive an accomplished copy of the Treasury form 1669 from the Office of Budget and Finance.

E. Overpayments to other governmental agencies returned by means of Form 1096.

From time to time the Farm Security Administration or the Crop Insurance Corporation may prepare form 1096 for the purpose of transferring to the State Office all or part of an amount previously certified by the State Office for such Administration or Corporation. Upon receipt of the accomplished copy of form 1096, the adjustment clerk shall correct the register of indebtedness and make appropriate notations in the file of the case to which it pertains. If two accomplished copies have been received, one shall be filed with the case. Where the refund represented by the Form 1096 is made in connection with a program with respect to which deductions are made for county association expenses, the adjustment clerk shall also prepare ACP-28 in accordance with section VI (except that no ACP-28A shall be prepared) for the purpose of showing the changes to be made in the administrative expense account. One copy of the ACP-28 and one accomplished copy of form 1096 shall be given to the State Accountant. One copy of ACP-28 shall be sent to the Control Accounts and Reports Section, AAA, Washington, D. C.

Where an excess amount was set off in favor of FSA, the Form 1096 will be submitted to the State Office in duplicate. If the case is thereafter certified for payment as an adjustment case, one accomplished copy of the Form 1096 must be forwarded to Preaudit along with the application and other forms.

/s/ N. E. Dodd
Director, Western Division

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT AGENCY
Western Division

STATE OFFICE PROCEDURE

UNDELIVERED, LOST, STOLEN, DESTROYED, AND FORGED U. S. CHECKS; REFUNDS; AND ADJUSTMENT CASES

The instructions in WD-14, Section XIV, Paragraph A6 on pages 63 and 64 are amended as follows:

1. Subparagraph b. is amended to read:
 - b. Partial payments which can be certified immediately.

Where an additional payment is due a person who was underpaid or where a payment is due a person who was not paid at all and the application and accompanying documents in connection with which such payment is due fulfill all other requirements of this paragraph A but the full amount of all the overpayments issued in connection with the same farm or ranch and the same program have not been recovered, only a partial payment can be certified immediately. When submitted to Preaudit, the application must be accompanied by Form WD-12 prepared in accordance with paragraph e. The balance due will be certified on Form WD-12 as provided herein after the full amount of each overpayment is recovered by set-off or refund. Where a partial payment can be certified immediately but the State Office has reason to believe that the overpayment/s will soon be recovered in full, and, therefore, the amount/s due can be paid, the application may be held until the overpayments are recovered in full. Partial payments may be certified if --

- (1) An additional amount is due from the appropriation (even though no overpayment has been recovered).
- (2) An overpayment has been recovered in part and the appropriation does not stand charged with more than 100 percent of the payment due with respect to the farm or ranch. Where an additional amount is due two or more producers, the amount recovered must be prorated among them.

Example:

Farmer A received the entire farm payment in the amount of \$100. Later it was discovered that B and C should each have received \$25 and that A should have received only \$50. A refunds \$25. If B and C file applications, each may receive \$12.50. The additional \$12.50 due each may be certified on Form WD-12 upon recovery of the other \$25 due from A.

If, in the above example, B had filed an application but C had not, only the \$12.50 could be certified for B immediately. The other \$12.50 should remain in the appropriation where it would be available for payment to C upon receipt of his application. (If the State Committee is certain beyond all doubt that C will not file an application -- if the time limit for filing the application has expired, etc. -- then the full \$25 recovered from A may be paid to B. Upon recovery of the other \$25 from A, such amount shall be deposited to the appropriation.)

If either B or C had executed an assignment in connection with the application, the payment which can be made (\$12.50) must be determined and the amount assigned deducted from such payment. This must be done because of the fact that the assignee is entitled to no more than the amount which is available for payment to the applicant.

2. Subparagraph d. is amended to read:

d. Additional payment to be certified at a later date.

When, in accordance with b above, only a partial payment is certified the additional amount due will be certified on Form WD-12 when more of the amount overpaid is recovered by refund or set-off.

3. The following subparagraph e is to be added after subparagraph d:

d. Preparation of Form WD-12

(1) In cases where adjustment application is to be submitted to Preaudit and full additional payment due cannot be certified.

(a) Enter in the space provided, the State and county code and application serial number assigned the related adjustment application.

(b) Do not make an entry in the space provided for the D. O. Voucher number at this time.

(c) Enter in the space provided the applicable program, e.g., "1942 ACP", "1942 Crop Parity", etc.

(d) Enter the name and address of the applicant on the line provided and to the right of his name, after the dollar mark, the amount of the payment which is being withheld.

(e) Do not make any entries on the next succeeding line.

(f) Enter a check mark in the block adjacent to reason number 1.

(g) The certifying officer shall sign and enter the date withheld in the space provided in Part I of the form.

The original and one carbon copy of the form must be signed in the original. The signed carbon copy will be forwarded to the Preaudit with the related application for payment. The original and unsigned copy will be filed in the State Office until the balance of the payment or a portion thereof may be certified.

- (h) Make no further entries on Form WD-12 at this time.
- (2) In cases where balance of payment due is to be certified, complete the original and file copy of Form WD-12, prepared in accordance with paragraph (1) above, as follows:
- (a) Enter in the space provided the D. O. Voucher number under which the adjustment application was paid.
 - (b) If a deduction or set-off is to be made from the applicant's payment enter after the words "Deduction, if any, for" a description of the indebtedness or deduction item, e.g., "Set-off for AAA, 1940 ACP", "Advance on ACP 100, 1940", etc., and enter in space provided on the line the amount to be deducted. The deduction will be made in accordance with the procedure in WD-7 Revised.
 - (c) If all or part of the applicant's payment is to be used to liquidate an assignment enter the name and address of the assignee and the amount, that can properly be paid him, in Part II immediately to the right of the space provided for showing the amount to be paid the applicant. Enter the word "assignee" after the assignee's name.
 - (d) Enter in the space provided in Part II the difference between the amounts entered in Part I less any amount to be paid the assignee.
 - (e) The certifying officer shall sign and enter the date in the spaces provided in Part II.
 - (f) The payments certified the applicant or assignee in Part II will be scheduled in the same manner as payments on applications for payment.
 - (g) The original of Form WD-12 will be transmitted to the Preaudit Office with the related voucher forms and the copy returned to the State Office files.
- (3) In cases where the entire amount withheld cannot be certified but additional payments may be certified from time to time as more of the overpayment is recovered --

- (a) Complete the original and file copy of Form WD-12, prepared in accordance with paragraph (1), as follows:
- (i) Encircle the amount entered on the line with the applicant's name and enter immediately above such entry the amount that has been recovered by refund or set-off and is available for certification.
 - (ii) Make other entries on the form in accordance with paragraph (2), (a) to (e) inclusive using the unencircled entries in the computations.
- (b) Prepare another set of Forms WD-12 and handle in accordance with paragraph (1) except that the signed carbon will be transmitted to the Preaudit with the related original of Form WD-12 instead of with the related application for payment. The amount to be entered on the line with the applicant's name in Part I will be the difference between the encircled and unencircled amounts entered on the line with the name of the applicant in Part I of the Form WD-12, which was completed in accordance with paragraph 3a above.
- (c) Repeat the procedure in paragraph (a), and where necessary in paragraph (b), each time an additional amount may be certified except that the entry to be made in the space provided for the D. O. Voucher number on the original copy and the State Office copy of Form WD-12, will be the D. O. Voucher number under which the previous WD-12 was paid.

/s/ J. M. Thompson

Acting Director, Western Division